Letter of Offer
Dated: 21 July 2022
For Eligible Equity Shareholders Only

THE SANDUR MANGANESE & IRON ORES LIMITED

The Company was originally incorporated in the name of "The Sandur Manganese & Iron Ores (Private) Limited" under the provisions of the Indian Companies Act, VII of 1913 vide Certificate of Incorporation bearing Registration Number C722/53-54 dated 18 January 1954 issued by the Registrar of Joint Stock Companies, Mysore, Bangalore. Subsequently, the Company was converted into a Public Limited Company and the name was changed to "The Sandur Manganese & Iron Ores Limited" pursuant to issuance of fresh certificate of incorporation dated 28 November 1964 by Registrar of Companies, Mysore, Bangalore. For details of changes in the name and registered office of the Company, refer chapter titled "***General Information***" on page 31.

Registered Office: "SATYALAYA" Door No.266 (Old No.80), Ward No. 1, Behind Taluk Office, Sandur – 583 119 Ballari District, Karnataka
Corporate Office: "SANDUR HOUSE'', No.9 Bellary Road, Sadashivanagar, Bengaluru – 560 080, Karnataka, India
Contact Person: Bijan Kumar Dash, Company Secretary & Compliance Officer; **Tel No:** +91 9448497985; **Fax No:** +91 8041520182
E-Mail ID: secretarial@sandurgroup.com, investors@sandurgroup.com; **Website**: www.sandurgroup.com
CIN: L85110KA1954PLC000759

THE PROMOTERS: SHIVRAO YESHWANTRAO GHORPADE, AJAI MURAR RAO GHORPADE, SURYAPRABHA AJAI GHORPADE, BAHIRJI AJAI GHORPADE AND EKAMBAR AJAI GHORPADE

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE SANDUR MANGANESE & IRON ORES LIMITED

ISSUE OF UP TO 1,80,03,882 EQUITY SHARES OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) ("RIGHTS EQUITY SHARES") EACH AT A PRICE OF ₹ 10/- PER EQUITY SHARE ("ISSUE PRICE") FOR AN AMOUNT NOT EXCEEDING ₹1,800.39 LAKH* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 2 (TWO) RIGHTS EQUITY SHARES FOR EVERY 1 (ONE) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, THAT IS ON WEDNESDAY, 27 JULY 2022 ("THE ISSUE"). FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 150 OF THIS LETTER OF OFFER.

****Assuming full subscription***

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither the Company nor the Promoters or any of the Directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India **("SEBI")** nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Investors are advised to refer to the "Risk Factors" on page 18 of this Letter of Offer before making an investment in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to the Company and the Issue, which is material in the context of the Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of the Company are listed on BSE Limited ("BSE"). The Company has received "in-principle" approval from BSE for listing of the Right Equity Shares to be allotted pursuant to this Issue vide its letter dated 18 July 2022. The Company shall make an application to BSE to obtain trading approval for the Rights Entitlement as enshrined under the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated 22 January 2020'. For the purpose of this issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED "Anandlok", Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal **Telephone:** +91 33 2289 5101 **Email Id:** ramakrishna@finshoregroup.com **Website:** www.finshoregroup.com **Investor Grievance Email Id:** info@finshoregroup.com **Contact Person:** S. Ramakrishna Iyengar **SEBI Registration No:** INM000012185 **CIN No:** U74900WB2011PLC169377	**VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED.** 12-10-167, Bharat Nagar, Hyderabad 500018 **Telephone**: 040-23818475/23818476/23868023 **Fax**:040 - 23868024 , **Email**: investor.relations@vccipl.com **Website**: www.vccipl.com **Investor Grievance Email Id**: investor.relations@vccipl.com, eskprasad@vccipl.com **Contact Person**: E S K Prasad **SEBI Registration No**: INR000001203 **CIN**: U65993TG1986PTC006936

ISSUE PROGRAMME*

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION**	ISSUE CLOSES ON***
Monday, 8 August 2022	**Tuesday, 23 August 2022**	**Monday, 29 August 2022**

**Pursuant to the SEBI Circular on Rights Issue dated 22 January 2020 SEBI has introduced the concept of credit of Rights Entitlements into the demat account of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form.*

***Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

****The Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Letter of Offer, and references to any statute or regulations or rules or policies or guidelines will include any amendments or modifications or re-enactments thereto, from time to time.

GENERAL TERMS

TERM	DESCRIPTION
"The Sandur Manganese & Iron Ores Limited", "SANDUMA", "SMIORE", "The Company", "Our Company", or "Issuer" or "Issuer Company"	Unless the context otherwise indicates or implies, The Sandur Manganese & Iron Ores Limited, a public limited company incorporated under the provisions of the Companies Act, VII of 1913 and having its Registered Office at "SATYALAYA" Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur – 583 119, Ballari District, Karnataka, India.
"We", "Our", or "us"	Unless the context otherwise indicates or implies, refers to the Company together with our Subsidiary
Our Promoters or Promoters of the Company	The promoters of the Company being **(I) Shivrao Yeshwantrao Ghorpade (II) Ajai Murar Rao Ghorpade (III) Suryaprabha Ajai Ghorpade (IV) Bahirji Ajai Ghorpade** and **(V) Ekambar Ajai Ghorpade.**
Promoter Group	Includes such persons and entities constituting the promoter group of the Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed under Section titled "Our Promoters and Promoter Group"

CONVENTIONAL TERMS

TERM	DESCRIPTION
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
Category I Foreign Portfolio Investor(s)	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as "Category II foreign portfolio investor" under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as "Category III foreign portfolio investor" under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Consolidated FDI Policy	Consolidation FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
FCNR Account	Foreign currency non-resident account.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.

TERM	DESCRIPTION
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	"fugitive economic offender" shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
Ind GAAP	Generally Accepted Accounting Principles in India.
Income Tax Act or the I.T. Act	The Income Tax Act, 1961 as amended till date.
MMDR Act	Mines and Minerals (Development and Regulation) Act 1957
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Letter of Offer.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

ISSUE RELATED TERMS

TERM	DESCRIPTION
"Abridged Letter of Offer" or "ALOF"	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
"Allot", "Allotment" or "Allotted"	Allotment of Rights Equity Shares pursuant to this Issue.
"Allotment Account"	The account opened with the Banker to this Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
"Allotment Date"	Date on which the Allotment shall be made pursuant to this Issue.
"Allottee(s)"	Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment.
"Application"	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application

TERM	DESCRIPTION
	through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
"Application Form" or "Composite Application Form / CAF"	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Letter of Offer.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form or Composite Application Form (CAF) multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted of Equity Shares	Unless the context otherwise requires, allotment of the Rights Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Application Supported by Blocked Amount/ASBA or UPI	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of the Company through the ASBA process in terms of this Letter of Offer.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022
ASBA Forms	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of this Letter of Offer.
Banker to the Issue	Bank which are clearing members and registered with SEBI as banker to an issue and with whom the Rights Issue Account will be opened, in this case being **"*YES Bank Limited*"**
Banker to the Issue Agreement	Banker to the Issue Agreement entered on 21 July, 2022 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under the Issue, as described in the Section ***"Issue Procedure – Basis of Allotment"*** beginning on page no. 171 of this Letter of Offer.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays).
BSE /Stock Exchange	BSE Limited
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.

TERM	DESCRIPTION
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on which the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Rights Issue Account, as appropriate in terms of the Letter of Offer and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/ Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com
Designated Stock Exchange	BSE Limited
DP	Depository Participant.
DP ID	Depository Participant's Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Letter of Offer constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Letter of Offer constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat account with SEBI registered qualified depositary participants.
Equity Shares	Equity Shares of the Company of face value of ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Issue/Rights Issue/Issue Size Rights Issue	Rights Issue of 1,80,03,882 Equity Shares of face value of ₹10/- each of the Company for cash at a price of ₹ 10/- per Equity Share aggregating upto ₹ 18,00,38,820/- by the Company, in terms of this Letter of Offer.

TERM	DESCRIPTION
Issue Agreement	The Issue Agreement dated 6 July, 2022 between the Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by the Company being ₹ 10/- per Equity Share. Investors will have to pay the entire offer price i.e., ₹10/- per Rights Equity Share at the time of Application.
Issue Proceeds	The proceeds of the Issue as stipulated by the Company. For further information about the use of the Issue Proceeds please refer to Section titled ***"Objects of the Issue"*** beginning on page no. 37 of this Letter of Offer.
Lead Manager/LM	Finshore Management Services Limited.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement signed between the Company and the BSE Limited.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
"On Market Renunciation"	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before 23 August 2022.
"Off Market Renunciation"	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. ***OCBs are not allowed to invest in this Issue***.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
"Record Date"	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being 27 July 2022.
"Renouncee(s)"	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
"Renunciation Period"	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on 23 August, 2022 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
"Rights Entitlements" / "REs"	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights

TERM	DESCRIPTION
	Issue Circulars, in this case being 2 (Two) Rights Equity Shares for every 1 (One) Equity Share held by an Eligible Equity Shareholder, on the Record Date.
"Rights Entitlement Letter"	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
"Rights Equity Shareholders"	A holder of the Rights Equity Shareholders, from time to time.
"Rights Equity Shares"	Equity shares of the Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
Rights Issue Account	The Bank Account opened with the Banker to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar to the Company	Registrar to the Company is "***Venture Capital & Corporate Investments Private Limited.***".
Registrar to this Issue	Registrar to the Issue being in our case "***Venture Capital & Corporate Investments Private Limited***".
Registrar Agreement	The agreement dated 6 July 2022 entered into between the Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

COMPANY RELATED TERMS

TERM	DESCRIPTION
"Articles" or "Articles of Association" or "AOA"	The Articles of Association of the Company, as amended from time to time.
Auditor / Statutory Auditor / Peer Review Auditor	The Statutory Auditors of the Company, being "**M/s. R. Subramanian and Company LLP"**, Chartered Accountants having its registered office at New No. 6, Krishnaswamy Avenue, Luz, Mylapore, Chennai – 600004.
"Board of Director(s)" or "the/our Board"	Unless otherwise specified, The Board of Directors of the Company, as duly constituted from time to time, including any committee(s) thereof.
"CFO" or Chief Financial Officer	The Chief Financial Officer of the Company being "**Uttam Kumar Bhageria**".
CIN	Corporate Identification Number being L85110KA1954PLC000759
Companies Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of the Company being "**Bijan Kumar Dash**".
Corporate Office	Corporate Office of the Company is presently situated at "SANDUR HOUSE', No.9 Bellary Road, Sadashivanagar, Bengaluru — 560 080, Karnataka, India
DIN	Directors Identification Number.
Director/Director(s)	The directors of the Company, unless otherwise specified.
ED	Executive Director.
Equity Shares	The Equity Shares of the Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of the Company.
Export	Export means taking goods out of India to a place outside India.
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in "Our Group Companies".
Import	Import means bringing goods into India from a place outside India.
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013.
IT Act	The Income Tax Act,1961 as amended till date.
ISIN	International Securities Identification Number In this case being "INE149K01016"
KMP / Key Managerial Personnel	Key managerial personnel of the Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled ***"Our Management"*** beginning on page no. 60 of this Letter of Offer.
MD	Managing Director.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by the Company for the purpose of disclosure of the same in this Letter of Offer.

TERM	DESCRIPTION
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of the Company, as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of the Company as mentioned in this Letter of Offer.
Registered Office	Registered Office of the Company is presently situated at "SATYALAYA" Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur – 583 119, Ballari District, Karnataka, India
RoC/Registrar of Companies	The Registrar of Companies, Bengaluru, Karnataka, India.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Shareholders	Shareholders of the Company.
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA.
Wilful defaulter or a Fraudulent Borrower	A person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India, as defined under Regulation 2(1)(lll) of SEBI ICDR Regulations 2018.

TECHNICAL AND INDUSTRY RELATED TERMS

TERM	DESCRIPTION
ANFO	Ammonium Nitrate & Fuel Oil
CAGR	Compounding Annual Growth Rate
EPFO	Employees' Provident Fund Organisation
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GST	Goods and Service Tax
G-sec	Government Securities
IBEF	Indian Brand Equity Foundation
IBM	Indian Bureau of Mines
IMF	International Monetary Fund
IMP/HRS	Impression per Hour
INR	Indian Rupee Rates
MNC	Multinational Corporation
MSMEs	Micro, Small and Medium Enterprises
MT	Million Tonne
MVC	Model View Controller
MYEA	Mid-Year Economic Analysis
NMP	National Manufacturing Policy
OMR	Optical Marking Recognition
PSUs	Private Sector Units
RIMS	Records and Information Management Services
RBI	Reserve Bank of India
SED	Strategic Engineering Division
SEZ	Special Economic Zone
SMB	Server Message Block

UNFC	United Nations Framework Classifications
US	United States
WPI	Wholesale Price Index

ABBREVIATIONS

TERM	DESCRIPTION
₹ or Rs or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A.Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CARO	Companies (Auditor's Report) Order, 2020.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CPSEs	Central Public Sector Enterprises
CSR	Corporate Social Responsibility.
Depositories Act	The Depositories Act, 1956
DGFT	Directorate General of Foreign Trade
dia	Diameter
DIN	Director Identification Number.
DP ID	Depository participant's identification.
DRI	Direct Reduced Iron
EAC	Expert Appraisal Committee
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
EV	Electric Vehicles
FDI	Foreign direct investment.
FeMn	Ferromanganese
FIPB	Foreign Investment Promotion Board.
GAAR	General anti avoidance rules.
GBP	Great Britain Pound.
GIR	General index register.
GoI/Government	Government of India.
GSDP	Gross State Domestic Product
GSI	Geological Survey of India
GST	Goods & Service Tax
HNI	High Net Worth Individual.
ICAI	Institute of Chartered Accountants of India.
IES	Institute of Economic Studies
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JWG	Joint Working Group
KW	Kilo Watt
KV	Kilovolt
MCA	Ministry of Corporate Affairs, Government of India.
Mm	millimeter
MoU	Memorandum of Understanding.
MTPA	Million Tonne Per Annum

TERM	DESCRIPTION
MVA	Mega Volt Amphere
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SAIL	Steel Authority of India Limited
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SDF	Sustainable Development Framework
SiMn	Silicomanganese
SPV	Special Purpose Vehicle
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TPH	Tonnes Per Hour
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
WHRB	Waste Heat Recovery Boiler
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI (ICDR) Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

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NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions.

The Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid email address to the Company; (iii) through physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

Further, the Letter of Offer will be provided, by the Company to any existing Shareholder who have provided their Indian address and who make a request in this regard.

Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, the Company, the Lead Manager and the Stock Exchange.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with the BSE for observation. Accordingly, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for the Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India).

The Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company reserves the right to treat any Application Form as invalid where they believe that (i) Application Form does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) the Application Form appears to have been executed in or dispatched from the United States; (iii) a registered Indian address is not provided; or (iv) the Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the Company's

affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as business, financial, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult their own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither the Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer, Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of the Company, including the Rights Equity Shares and Right Entitlements have not been and will not be registered under the United States Securities Act, 1933, as amended (the **"Securities Act"**), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the **"United States"** or **"U.S."**) or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act (**"Regulation S"**), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Share referred to in this Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Letter of Offer/ Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither the Company nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company or any person acting on behalf of the Company, has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. No application form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under this Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. The Company is making this issue of Rights Equity Shares on a rights basis to the eligible equity shareholders and the Abridged Letter of Offer and CAF will be dispatched to (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company; (iii) through physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

The Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to the Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in

connection with the Issue, among others; or (iii) where the Company believes that the Application Form is incomplete or the acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and the Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form. Rights Entitlement may not be transferred or sold to any person in the United States of America.

The above information is given for the benefit of the Applicants / Investors. The Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to "India" in this Letter of Offer are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

In this Letter of Offer, the terms "we", "us", "our", "the Company", "our Company", "Issuer", "Issuer Company", "The Sandur Manganese & Iron Ores Limited", "SANDUMA" and "SMIORE" unless the context otherwise indicates or implies, refers to "The Sandur Manganese & Iron Ores Limited".

In this Letter of Offer, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lac / Lakh" means "one hundred thousand", the word "million (mn)" means "Ten Lacs / Lakhs", the word "Crore" means "ten millions" and the word "billion (bn)" means "one hundred crores". In this Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

Financial Data

Unless stated otherwise, the financial information in this Letter of Offer is extracted from the Audited Financial Results for the period ended 31 March 2022 and Audited Financial Statements of the Company for the financial Year ended 31 March 2021 which have been prepared in accordance with Indian Accounting Standard (Ind AS).

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended on 31st March of that year.

Unless otherwise indicated, any percentage amount, as set forth in this Letter of Offer, including in the Sections titled ***"Risk Factors"***; ***"Our Business"***; ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** beginning on page no. 18, 50, and 136 respectively, have been calculated on the basis of the audited financial statements of the Company included in this Letter of Offer.

Currency and Units of Presentation

All references to "Rupees", "Rs.", "INR" or "₹" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S. $" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America

The Company has presented certain numerical information in this Letter of Offer in "Lakh" units. One lakh represents 1,00,000.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Letter of Offer has been derived from publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled ***"Risk Factors"*** beginning on page no. 18 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This Letter of Offer may contain conversions of certain other currency amount into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENT

The Company has included statements in this Letter of Offer which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled ***"Risk Factors"***; ***"Industry Overview"***; ***"Our Business"***; and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"***; beginning on page no. 18, 44, 50 and 136, respectively, of this Letter of Offer.

The forward-looking statements contained in this Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

- Validity of our Mining Lease and adequacy of reserves of Manganese Ore and Iron Ore;
- Uncertainty of the impact of Covid Pandemic;
- General economic and business conditions in India and other countries;
- Increase in price and material components;
- Fluctuation in other operating cost;
- Ability to retain the customers is heavily dependent upon various factors including our reputation and our ability to maintain a high level of quality goods and products;
- We operate in a significantly fragmented and competitive market in each of our business segments;
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them;
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and global changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities; and
- Changes in import and export duties.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. The Company and the Lead Manager do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permission with respect to Equity Shares being issued in this Issue, by the Stock Exchange. The Company will ensure that investors are informed of material developments in relation to statements about the Company in this Letter of Offer until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors.

(A) PRIMARY BUSINESS OF THE COMPANY AND THE INDUSTRY IN WHICH WE OPERATE:

The Company is a private sector merchant miners and commodity producer with an operational track record spanning nearly seven decades.

At present, SMIORE has 2 Mining Leases valid up to 31 December 2033, over an area of 1,999 HA with estimated reserves of about 14 MT of Manganese Ore and 110 MT of Iron Ore, spread in Deogiri , Ramghad, Subbranahalli , Kummathuru in Karnataka. The Company is having Metal & Ferroalloy Plant, Coke Oven Plant, Waste Heat Recovery Boiler and Power Plant situated at Vyasankere, Mariyammanahalli, Hosapete Taluk- 583222 Vijayanagar District, Karnataka.

At present, the Company's operations span over three business segments i.e.,

- ***Mining (Manganese & Iron Ores);***
- ***Ferroalloys; and***
- ***Coke and Energy***.

For further detailed information, please refer to chapter titled ***"Our Business"*** *and* ***"Industry Overview"*** *beginning from page no. 50 and 44 respectively of this Letter of Offer.*

(B) OBJECTS OF THE ISSUE:

The Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects**:**

Sl. No.	Particulars	Estimated Amount *(in ₹lakh)*
1.	Gross proceeds of the Rights Issue *	1800.39
	Less: Issue related expenses	50.39
	Net proceeds of the Rights Issue	1750.00
2.	Utilisation of the net proceeds of the Rights Issue	
	a) Investment in equity shares of ₹ 10/- each of Renew Sandur Green Energy Private Limited.	1750.00#

**Assuming full subscription and allotment*
 # Subject to change upon actual realisation of net proceeds

(C) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTER AND PROMOTER GROUP:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 6 July,2022 (the "Subscription Letters") undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of the Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

(D) SUMMARY OF MATERIAL OUTSTANDING LITIGATIONS:

The Company, is a party to various litigation, proceedings and claims. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Any adverse decision may render us liable to liabilities/penalties.

Sl. No	Outstanding Litigations	Number of Matter	Financial Implications to the Extent Quantifiable (₹ in Lakh)
1.	**Filed against the Company**		
	Civil Matters	8	Could not be Ascertained
	Criminal Matters	-	Could not be Ascertained
2.	**Filed by the Company**		
	Civil Matters	2	Could not be Ascertained
	Criminal Matters	-	Could not be Ascertained

For further details, please refer chapter ***"Outstanding Litigation and Material Development"*** beginning from page no. *139* of this Letter of Offer

(E) CROSS REFERENCE TO THE SECTION TITLED "RISK FACTORS":

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Letter of Offer. *For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled* ***"Risk Factors"*** *beginning on page no. 18 of this Letter of Offer.*

(F) SUMMARY OF CONTINGENT LIABILITIES AS DISCLOSED IN THE FINANCIAL STATEMENT:

The Company has certain contingent liabilities that had not been provided for the financial year 31 March 2022, details of the same areas under:

Particulars	Amount (Rs. In Lakh)
Income tax (relating to disallowance of deduction)	6,071.41
Service tax (relating to applicability of tax)	293.35
Forest development tax including interest	7,472.50
Differential rate relating to sale of power, including interest	495.18
Differential royalty including interest	953.53
Customs duty (relating to demand towards differential duty payable on import of coal)	416.38
Others (relating to provident fund and other matters)	22.85

(G) SUMMARY OF RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled ***"Financial Information"*** *beginning on page no. 66 of this Letter of Offer*

(H) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR FROM THE DATE OF THIS LETTER OF OFFER:

The Company has not issued Equity Shares for consideration other than cash during the last 1 (one) year immediately preceding the date of filing of this Letter of Offer

SECTION III: RISK FACTORS

RISK FACTOR

*Any investment in equity securities involves a high degree of risk. Investor should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, you should read this section together with Sections titled, "**Our Business", "Particulars of the Issue", "Industry Overview", "Financial Information", "Outstanding Litigation and Other Material Developments", and "Management's Discussion and Analysis of Financial Condition and Results of Operations"** beginning on page no. 50, 37, 44, 66, 139, and 136 respectively, as well as the other financial and statistical information contained in this Letter of Offer.*

Any of the following risks, as well as the other risks and uncertainties discussed in this Letter of Offer, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of your investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

This Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. You should not invest in this Issuing unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the consequences to you of an investment in the Equity Shares.

The financial information in this section is, unless otherwise stated, derived from our Audited Financial Statements and Results prepared in accordance with IND AS, as per the requirements of the Companies Act, 2013, and SEBI (LODR) Regulations.

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some risks may not be material individually but may be material when considered collectively.

2. Some risks may have material impact qualitatively instead of quantitatively.

3. Some risks may not be material at present but may have a material impact in the future.

INTERNAL RISK FACTORS

1. ***Information relating to the Company's mineral reserve and resource base included in this Letter of Offer are estimates, and actual production, revenue and expenditure with respect to the reserves and resources may differ materially from these estimates.***

   Our future performance depends on, among other things, the accuracy of our estimation of reserve and resource base. Reserve and Resource of Iron Ore and Manganese Ore are estimated by inhouse team of Geologists by using Data Mine and Autocad software by cross sectional method. For interpretation of Ore body Surface Geological data and Sub-surface Geological data collected by drilling bore holes in the mining lease area as per United Nations Framework Classifications (UNFC) guidelines. UNFC is three-digit code base system where first digit stands for Economic axis, second digit stands for Feasibility axis and third digit stands for Geological axis. Reserves and Resources estimated by us is validated through Mining Plan approved by Indian Bureau of Mines –Ministry of Mines, Government of India. Any estimates of reserves and resources that we may prepare following this Issue may not provide you with a basis for comparison of our estimated reserve and resource base with that of other listed mining companies. Reserve estimation is a subjective process of estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Estimates of different engineers may vary, and results of our mining and production subsequent to the date of an estimate may lead to revision of estimates. If our reserve estimates differ materially from mineral quantities that we may actually recover, estimates of mine life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain ore reserves or mineral deposits uneconomical to mine. If this occurs, we may need to revise our manganese and iron ore reserves downwards, which may adversely affect the life of mine, and consequently affect the aggregate

value of our mining asset base. There are various factors and assumptions inherent in the estimation of our reserve and resource base and the cost associated with mining such reserves that may materially differ from actual production, revenues and expenditure with respect to our reserves. These factors and assumptions include: interpretation of geological and geophysical data; geological and mining conditions, which may not be fully identified by available exploration data and/or may differ from our experiences in areas where we currently mine; quality of the manganese ore and the percentage of manganese ore ultimately recoverable; the assumed effects of regulation, including the issuance of required permits, and taxes, including royalties, and other payments to governmental agencies; assumptions concerning the timing for the development of the reserves; and assumptions concerning equipment and productivity, future manganese ore prices, operating costs, including for critical supplies such as fuel and explosives, capital expenditures and development costs. Many of the factors, assumptions and variables involved in estimation of our reserve and resource base are based on data that are currently available and subject to variations over time. No information relating to our reserve and resource base included in this Letter of Offer should be interpreted as assurance of the economic life of our manganese ore reserves and resources or the profitability of our future operations. Any material inaccuracy in, or future variations from, our estimates related to our reserves and resources could result in decreased profitability from lower than expected revenues and/or higher than expected costs, which could adversely affect our business prospects, financial condition and the price of our Equity Shares. You should therefore not place undue reliance on the manganese ore and iron ore reserves and resources data contained in this Letter of Offer.

2. ***The unexpected loss, shutdown or slowdown of operations at any of the Company's manufacturing plants could have a material adverse effect on our results of operations and financial condition.***

Our manufacturing plants are subject to operating risks, such as the breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, labour disputes, natural disasters and industrial accidents. While we undertake precautions to minimize the risk of any significant operational problems at our plants, there can be no assurance that our business, financial position and operations will not be adversely affected by disruption caused by operational problems at our manufacturing plants. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID Pandemic, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. The occurrence of any of these risks could affect our operations by causing production at our manufacturing plant located at Vyasankere, Mariyammanahalli, Hosapete Taluk, 583222 Vijayanagar District, Karnataka to shut down or slowdown. We have faced such instances in past, during the year 1990, where operations of Ferroalloys became unviable due to inadequate and expensive power including company being referred to Board of Industrial and Financial Reconstruction. There were delay in implementing coke oven plant in the year 2020 due to COVID Pandemic. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

3. ***The Company's mining activities and manufacturing plants are primarily concentrated in Karnataka and any adverse developments affecting this region could have an adverse effect on the Company's business, results of operation and financial condition.***

We have and operate mining activities, ferroalloy manufacturing, coke and energy productions which are concentrated in and around Ballari and Vijayanagar Districts of Karnataka. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the central or state government or local governments in the Karnataka state in India could adversely affect, amongst others, manufacturing operations and transport operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Any such adverse development affecting continuing operations at our manufacturing plans could result in significant loss due to an inability to meet customer contracts and production schedules, which could materially affect our business reputation within the industry. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operation, financial condition, cash flows and future business prospects.

4. ***If the Company is unable to successfully exploit our existing reserves and acquire and develop additional reserves or the ore mined is of a lower quality than expected, the Company's business prospects and growth plans may be adversely affected.***

Our continuing growth and success depend on our ability to conduct successful exploration and development activities at our existing mines and to acquire and develop additional reserves. Our manganese ores and iron ores

reserves may not be capable of being mined at costs comparable to our current costs. Additionally, if we encounter geophysical or geological conditions different from that predicted by past exploration activities, sampling and similar examination, our reserve estimates may have to be adjusted downward. In the event that the manganese ore and iron ores mined is of a lower quality than expected, the demand for, and realizable price of, our manganese ore and iron ores may decrease, thereby affecting our profitability and financial condition. Similarly, if we fail to acquire or develop additional economically viable reserves on a continuing basis in pace with our production levels, our existing reserves will decline and may eventually be depleted, which would adversely affect our business, results of operation and financial condition. Our strategy for increasing our manganese ores and iron ores resources and reserves includes leveraging our exploration capabilities to enhance our reserve and resource base in India. However, there can be no assurance that our planned development and exploration projects and acquisition initiatives will result in additional reserves or that such reserves will result in profitable mining activities being able to be carried out at current production levels or at all. In particular, we may not be able to successfully identify new exploration areas with appropriate geophysical or geological conditions, or we may not receive prospecting licenses for any such areas identified, thereby reducing our ability to locate further ore bodies.

5. ***The Company's expansion of mining operations is subject to specific approvals***

The Company's Manganese ore capacities are expected to expand to 0.46 MTPA from the current 0.286 MTPA, and our iron ore capacities are expected to expand to 4.5 MTPA from the current 1.60 MTPA, in compliance with the parameters prescribed by the Hon'ble Supreme Court of India. However, this expansion is subject to specific approval from the Central Empowered Committee constituted by the Hon'ble Supreme Court which is pending as on date. Any rejection of the Company's expansion application will have an adverse impact on the Company's mining operations and the consequential impact on our financials and profitability.

6. ***The Company's insurance coverage may not adequately protect us from all material risks and liabilities.***

We maintain insurance which we believe is typical in our industry in India and for amounts which we believe to be commercially appropriate for risks. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our business. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims for losses, could result in unforeseen liabilities and losses. Further, despite such unforeseen losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such unforeseen losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

7. ***The Company is party to certain legal proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, result of operations and financial conditions.***

The Company is party to certain legal proceedings which are pending at different levels of adjudication before competent authority, appeals, tribunal and forums. We cannot assure you that these proceedings will be decided in favour of the Company. Further, there is no assurance that similar proceedings will not be initiated against the Company, our Directors or Promoters in the future. Any adverse outcome in any of the proceedings could have an adverse effect on our reputation and may affect our future business, prospects, financial condition and results of operations. It further may divert the attention of our management and promoters and waste our corporate resources. For details of these proceedings, see "Outstanding Litigation, Defaults and Material Developments" beginning from page 139 of this Letter of Offer.

8. ***The Company has certain contingent liabilities and profitability may be adversely affected if any of these contingent liabilities materialize***

The Company has certain contingent liabilities that had not been provided for the financial year March 31, 2022, which can have a material adverse effect on our financial position and results of operations if any of these contingent liabilities materialize. For further details, please refer "Outstanding Litigation, Defaults and Material Developments" beginning on page 139 of this Letter of Offer.

9. ***Operating mines requires obtaining and maintaining leasehold rights, approvals and clearances based on a mining plan submitted to IBM, which are not granted in perpetuity. Further, our mining leases are typically granted till 31st December, 2033***

Our business and operations are dependent on our ability to obtain, maintain and renew relevant mining leases. If we are not able to obtain, maintain and renew such mining leases, approvals and clearances on acceptable terms, or at all, our production and result of operations could be adversely affected. Our exploration and mining activities depend on the grant, renewal or continuance in force of mining leases of which some are valid only for a definite period of time and may provide for early termination. Operating mines requires obtaining and maintaining leasehold rights and approval for a certain period which contains annual extraction limits, as well as stopping permissions, forest clearances and environmental approvals relating to the specific plans described in the mining plan. These rights are not granted in perpetuity. Our mining leases are typically granted for a period of 20 years till 31st December, 2033. We have 2 mining leases currently. There can be no assurance in future that we will be able to obtain mining leases on acceptable terms or in a timely manner, or, if obtained, that such rights may not involve conditions that restrict our ability to conduct our operations or to do so profitably. Moreover, in India, entering into new mining leases or extending existing mining leases is time-consuming and requires the review and approval of several Indian governmental authorities. Furthermore, private individuals and the general public possess rights to comment on and otherwise engage in the licensing process, including through intervention in courts. The relevant laws and regulations are often unclear and may not be consistently applied. Our mining leases contain various obligations and restrictions and for seeking prior Government approval for assignment or any other form of transfer of the lease. If we breach these obligations, we may suffer adverse consequences, such as suspension or termination of mining lease, forfeiture of security deposit and notices from the State Government requiring us to pay the rent, royalty or remedy the breach within a specified period. We cannot assure you we will be able to renew all our leases, which will have a material adverse effect on our business, results of operations and financial condition.

10. ***Risk relating to Objects of the issue***

The proceeds from this Offer will not be available to us. The object for which the Rights issue is made involves investing in the Equity of the proposed SPV Renew Sandur Green Energy Private Limited. If the intended purpose for which the funds are used by the Proposed SPV is not met resulting in losses then we may not be able to recover the funds and this may in turn have a material effect on our financials and profitability.

11. ***We are dependent on our key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operation and financial condition.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions taken by the Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with the Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business and our results of operations. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our business, results of operation and financial condition.

12. ***We derive significant (~75%) of our revenues from our top ten customers. The loss of revenues from such customers, in particular would have an adverse impact on our results of operations and financial condition.***

Our top ten customers represented (~ 75%) of our sales of manganese ores, iron ores and other products for Fiscal 2022. There can be no assurance that any of the agreements with these customers will be entered into and renewed upon expiration thereof, or that any such new agreements will be entered into on terms and conditions satisfactory to us. If we fail to enter into new agreements on acceptable terms with any of our top ten customers, and in particular with our key customers, our business, financial condition, results of operations and prospects could be materially and adversely affected.

13. ***The Company's operations are subject to extensive governmental and environmental regulations. Any failure to comply with such requirements, including obtaining required permits, approvals and leases, in a timely manner may adversely affect the Company's operations.***

Our obligations under the mining leases, numerous governmental permits, approvals, licenses and leases are required in connection with our operations as the mining sector is subject to numerous laws and extensive regulation by national, state and local authorities in India. Failure to comply with any laws or regulations or to obtain or renew the necessary permits, approvals and leases may result in various enforcement measures such as the loss of the right to mine or operate facilities, administrative, civil or criminal penalties, the imposition of clean-up or site restoration costs and liens, the imposition of costly compliance procedures, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits, including mining leases and exploration licenses, and other enforcement measures that could have the effect of closing or limiting production from our operations. Bringing mines into operation and operating such mines requires obtaining approval of a mining plan, which stipulate extraction limits, as well as applicable forest and environmental approvals in respect of the mine. In connection with our mining operations, we are required to obtain various regulatory approvals including, but not limited to, consents to operate under environmental statutes such as the Air Act, Water Act, authorizations under the hazardous waste rules and licenses for the possession and use of explosives, permissions under Regulation 107(3) of the Metalliferous Mines Regulations, 1961 and amended from time to time for carrying out stoping operations and exemptions under regulation 106(2) of the Metalliferous Mines Regulations, 1961 and amended from time to time for extraction of manganese ore through mechanized open cast methods. We engage contractors and other third parties in the course of our operations in these mining areas. These third parties are also required under the applicable legislation to obtain licenses, approvals and permits in relation to the services they may provide to us. If they do not obtain such approvals, or such approvals expire and are not renewed by these third parties, operations at our mines may be affected. Our operations are also subject to continued review and applicable statutory and regulatory requirements may be amended or modified. There can be no assurance that the approvals, licenses, registrations and permits issued in our favour will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. The costs, liabilities and requirements associated with complying with existing and future laws and regulations may be substantial and time-consuming and may delay the commencement or continuation of exploration, mining or production activities. Environmental regulations may also subject us to substantial costs and liabilities or require suspension of activity or closure of our mines or other facilities. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs, which could have a material adverse effect on our results of operations or financial condition.

14. ***Compliance with environmental laws and regulations requires ongoing expenditures and considerable capital commitments. We may incur material costs to comply with, or suffer material liabilities or other adverse consequences as a result of failure to comply with, environmental laws and regulations.***

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including with respect to limitations on land use, including forest land; mine permit and licensing requirements; risks of exploration activities; reclamation and restoration of mines after mining is completed; management of materials used in mining operations; the storage of manganese ore produced and associated risks; the storage, treatment and disposal of wastes; remediation of contaminated soil and groundwater; air quality standards; water pollution; protection of human health, plant-life and wildlife and discharge of hazardous materials into the environment. Our mining operations involve significant environmental hazards including land degradation resulting in land subsidence and destruction of surface infrastructure, deforestation, damage to the local ecosystem, as well as water pollution and dilapidation of the water table in and around mining areas. We are required to undertake various measures to minimize the impact of our operations on the environment and to protect natural resources. Existing compliance requirements which involve material costs include the need to reduce dust and the management of wastes and wastewater. We are required to actively monitor specific parameters such as air emissions, wastewater discharge, ambient air quality, quality of nearby surface water, soil and groundwater quality and the generation of solid waste. We are required to submit an annual statistical report on these monitoring results to the Indian environmental authorities. These authorities conduct independent tests from time to time to validate our results. If our emissions exceed certain levels established by the site permits we could be subject to monetary penalties. Moreover, in the course, or as a result, of an environmental investigation, regulatory authorities in India can issue an order reducing or halting production at a facility that has violated environmental standards. If production is reduced or halted at one or more of our facilities, our business, financial condition, result of operations and prospects could be materially and adversely affected. We may not be able to satisfy any of our remediation, rehabilitation and other obligations under environmental laws and regulations in a timely manner or at all, which could result in financial or other penalties. To the extent that such penalties are significant, this may

result in our cash flows being insufficient to meet our obligations. In addition, such failure to satisfy our legal obligations could lead to the suspension or loss of our license or mining lease contracts. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

15. ***We are dependent on the availability and reliability of adequate transportation infrastructure and related facilities to and from the Company in connection with the dispatch of our manganese ores, iron ores and other products and any failure of, or disruption in, these services could have a material adverse effect on our business, results of operations, financial condition and prospects.***

    We depend on the availability of adequate transportation infrastructure and related facilities for the transportation of manganese ore, iron ores to our customers and to our processing facilities. We depend primarily on road transportation to deliver manganese ore and iron ores to our customers. Our sales volumes may be constrained by inadequate transportation capacities, including non-availability of adequate railway infrastructure. Disruptions in road traffic could impact our ability to transport our goods, impacting our results of operation and financial condition. We are also dependent on third party road transportation providers, including truckers, for the supply of manganese ore and iron ores from the mine to our processing facilities and the railway sidings and also for the supply of our manganese ores and iron ores to customers. Non-availability of adequate road transportation, including in the form of transportation strikes and COVID Pandemic disruptions, have had in the past, and could have in the future, an adverse effect on our supply of materials and dispatch arrangements for our manganese ores, iron ores and other products. Road and rail transportation may also be adversely affected as a result of adverse weather conditions, mechanical failures, infrastructure damage, accidents, strikes, insurgency threats in the regions we operate in, adequate highway infrastructure, taxes in various state and local municipalities and customers' ability to arrange adequate and cost-effective transportation, or other factors beyond our control. In addition, in some cases, state-owned physical infrastructure suffers from a lack of funding and maintenance. Any deterioration of the transport infrastructure in India could disrupt the transportation of goods and supplies, and interrupt business operations. The failure to maintain adequate transportation services or a disruption in transportation services could cause transportation delays for our manganese ore and other products and affect our ability to ensure supply to our customers, which could impact our results of operations and sales volumes.

16. ***Some of the Company's mining and processing operations, including transportation of manganese ore and iron ores to dispatch points, are conducted through third party contractors. As a result, we are exposed to fluctuations in contractor costs and risks relating to the quality of their services which may affect our results of operations.***

    We conduct a part of our mining and overburden removal operations through third-party contractors. We also engage third party contractors for transportation of all of our manganese ore and iron ores from our mines to loading points, transportation of materials, loading of manganese ore on wagons and a range of activities ancillary to our mining and processing operations. We are required to pay the contractors for their services according to specified rates fixed by us. We cannot assure you that skilled third parties or contractors will continue to be available at reasonable rates or at all and in the areas in which we conduct our projects. We have experienced increases in the cost of third party contractors in recent years, resulting from, among other factors, increases in the cost of engaging contract labourers, machinery and equipment and fuel costs incurred by these contractors. We are also exposed to risks relating to the quality of the services of, and the equipment and supplies used by contractors. The timing and quality of our projects depends on the availability and skill of these parties, as well as contingencies affecting them, including labour and raw material shortages and industrial actions such as strikes and lockouts. Any failure by our contractors to comply with their obligations under their operating agreements (whether as a result of financial or operational difficulties or otherwise), any termination or breach of our operating agreements by our contractors, any protracted dispute with a contractor, any material labour dispute between our contractors and their employees or any major labour action by those employees against our contractors could adversely affect our operations. Furthermore, we may not be able to recover from a contractor any losses that may be suffered by us due to any performance shortfalls of our contractors.

17. ***A violation of applicable health and safety requirements and the occurrence of accidents could disrupt our operations and increase operating costs, which may have an adverse effect on the financial performance.***

    Central and State safety and health regulations applicable to the mining industry in India provide a comprehensive regulatory framework for protection of employee safety, and compliance with these requirements imposes significant costs. Moreover, new health and safety legislation and regulations may be introduced that may adversely affect our operations. Any failure to comply with applicable health and safety laws and regulations could result in temporary shutdowns of all, or a portion of our mines and processing and handling facilities, which may

disrupt our operations and result in imposition of costly remedial measures. In addition, we do not make provisions for our workers' compensation liabilities relating to accidents and other hazards, which could adversely affect our future operating results. We do not maintain insurance coverage against various potential risks associated with our operations, including any accidents or other hazards, and there can be no assurance that we will not be required to make significant payouts in this connection in the future.

18. ***The Logo used by the Company is currently not registered under Trade Marks Act, 1999. Failure to protect our intellectual property rights may adversely affect our brand, competitive business position, financial condition and profitability.***

Presently, the Company is using logo and we are in the process of making application for registration of the same under the Trade Marks Act, 1999. Therefore, as on date we do not enjoy the statutory provisions that are accorded to a registered trademark. Further, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application to be made for registration of our trademark will be allowed. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted.

19. ***Fluctuation in foreign currency exchange rates could affect our financial condition and results of operations.***

We face foreign exchange risks as we import certain raw materials from outside India which could adversely affect our results of operations. Our business involves import transactions with foreign companies, as such we are exposed to fluctuations in foreign exchange rates between foreign and Indian currencies. We are exposed to the risk of incurring potential losses if currencies fluctuate significantly. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations. We cannot guarantee that we will not experience foreign exchange losses going forward and that such losses will not adversely affect our business, financial condition or results of operations.

20. ***Any future issuance of Equity Shares may dilute your shareholdings, and sale of the Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by the Company may lead to the dilution of investors' shareholdings in the Company. In addition, any sale of substantial Equity Shares in the public market after the completion of this Issue, including by our major shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could significantly impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the major shareholders of the Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

21. ***Industry information included in this Letter of Offer has been derived from industry reports. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Letter of Offer. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Letter of Offer.

22. ***The price of the Equity Shares may be highly volatile after the Issue.***

The price of the Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including, volatility in the Indian and global securities market; our operations and performance; performance of our competitors and the perception in the market about investments in the our industry; adverse media reports on us or the industry; changes in the estimates of our performance or recommendations by financial

analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental regulations. There can be no assurance that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequently.

RISKS RELATING TO RIGHTS ISSUE

1. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding.***
The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in the Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of the Company that may be caused as a result of the Rights Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Rights Issue with respect to such Rights Entitlements. For details, see "**Terms of the Issue**" on page 150.

2. ***There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner.***
In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchange. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such an event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see "Issue Information" beginning on page 150.

3. ***Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.***
The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in the Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Right Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of the Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation (the last day for which is 23 August 2022), such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see — "Terms of the Issue" on page 150.

4. ***The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***
In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by the Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat account at least one day before the issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar as per the prescribed timelines mentioned above, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

5. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***
In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price of the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

6. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***
Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless the Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

7. ***Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***
Our Articles of Association and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, Director's fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a corporate entity in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity share capital of that company

8. ***No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.***
No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements. Since the trading of the Equity Shares will be on a separate segment compared to the Equity Shares on the floor of the Stock Exchanges, the trading of Equity Shares may not track the trading of Equity Shares. The trading price of the Rights Entitlements may be subject to greater price fluctuations than that of the Equity Shares.

EXTERNAL RISK FACTORS

1. ***Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.***

   Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

2. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

   Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

3. ***Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

   Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:
   - Custom duties on imports of products;
   - Goods and Service Tax

   These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

4. ***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

   The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

5. ***We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Indian Metal & Mining Industry contained in the letter of offer.***

   While facts and other statistics in the letter of offer relating to India, the Indian economy and the Indian Metal & Mining Industry has been based on various government publications, reports from government agencies, India Brand Equity Foundation and industry publications etc. that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "**Industry Overview**" beginning on page 44 of this letter of offer. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

6. ***Global economic, geo political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and geo political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

7. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfer of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

8. ***The extent and reliability of Indian infrastructure could adversely affect the Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt the Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt the Company's business operations, which could have an adverse effect on its results of operations and financial condition.

9. ***Natural calamities could have a negative impact on the Indian economy and cause the Company's business to suffer.***

The current Covid Pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

9. ***Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.***

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks in India, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect the Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

10. The demand and pricing in the steel industry is volatile and are sensitive to the cyclical nature of the industries it serves. A decrease in steel prices may have an adverse effect on our business, results of operations, prospects and financial condition.

Sales prices and volumes in the manganese and iron ore mining industry depend mainly on the prevailing and expected level of demand for manganese and iron ore in the steel industry. During periods of sluggish or declining regional or world economic growth, demand for steel products generally decreases, which usually leads to corresponding reductions in demand for manganese and iron ore. Historically, international prices for manganese and iron ore has been volatile and subject to wide fluctuations in response to relatively minor changes in supply and demand, market uncertainties, the overall performance of the global or regional economies, the related cyclicality in the steel industry and various other factors beyond our control. The price of manganese and iron ore is directly affected by the steel industry, which is cyclical in nature. The prices of steel products are influenced by many factors, including demand, worldwide production capacity, capacity-utilization rates, raw-material costs, exchange rates, trade barriers and improvements in steel-making processes.

Any significant decrease in demand for steel products or decline in the price of these products could result in reduced manganese and iron ore demand and manganese and iron ore prices which could significantly reduce our revenues, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

SECTION IV: INTRODUCTION

A. ISSUE DETAIL IN BRIEF:

The present Issue of 1,80,03,882 *Equity Shares in terms of Letter of Offer has been authorized pursuant to a resolution of our Board of Directors at the meeting held on April 10, 2022 passed under Section 62(1)(a) and other applicable provisions, if any of the Companies Act, 2013 in which Issue Price, Issue Size and Rights Entitlement Ratio, have also been approved. The Record Date has been approved by a resolution passed by the Right Issue Committee and the Board of Directors at its meeting held on 21 July 2022.*

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in ***"Terms of the Issue"*** beginning on page no. 150 of this Letter of Offer.

Rights Equity Shares being offered by the Company	1,80,03,882 Rights Equity Shares
Rights Entitlement	2 Rights Equity Shares for every 1 fully paid-up Equity Share held on the Record Date*
Record Date	Wednesday, 27 July 2022
Face value per Equity Share	₹ 10/-
Issue Price per Rights Equity Share	₹ 10/-
Issue Size	₹ 18,00,38,820/-
Equity Shares issued, subscribed and paid up prior to the Issue	90,01,941 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	2,70,05,823 Equity Shares
Security Codes	BSE: SANDUMA / 504918 ISIN: INE149K01016 ISIN for Rights Entitlement: INE149K20016
Money payable at the time of Application	₹ 10/- per share
Use of Issue Proceeds	For details please refer to the chapter titled "*Objects of the Issue*" beginning on page no. 37 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled "*Terms of the Issue*" beginning on page no. 150 of this Letter of Offer.
Terms of Payment	Investors will have to pay the entire offer price i.e. ₹10/- per Rights Equity Share at the time of Application.
Issue Open Date	Monday, 8 August 2022
Last date for On Market Renunciation of Rights	Tuesday, 23 August 2022
Issue Close Date	Monday, 29 August 2022

B. GENERAL INFORMATION

The Company was originally incorporated in the name of "The Sandur Manganese & Iron Ores Private Limited" under the provisions of the Companies Act, VII of 1913 vide Certificate of Incorporation bearing Registration Number C722/53-54 dated January 18, 1954 issued by the Registrar of Joint Stock Companies, Mysore, Bangalore ("ROC"). Subsequently, the Company was converted into a Public Limited Company and name was changed to "The Sandur Manganese & Iron Ores Limited" pursuant to issuance of fresh certificate of incorporation dated November 28, 1964 by Registrar of Companies, Mysore, Bangalore.

BRIEF OF COMPANY AND ISSUE INFORMATION	
Name, CIN & Registration Number	**THE SANDUR MANGANESE & IRON ORES LIMITED** **CIN**: L85110KA1954PLC000759 **Registration Number**: 000759
Registered & Corporate Office	**Registered Office:** "SATYALAYA" Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur – 583 119, Ballari District, Karnataka, India **Tel No.:** +91 8395 260301 **Corporate Office:** "SANDUR HOUSE', No.9 Bellary Road, Sadashivanagar Bengaluru — 560 080, Karnataka, India **Tel No:** +91 80415 20176 - 79 **E-mail:** investors@sandurgroup.com, secretarial@sandurgroup.com **Website**: www.sandurgroup.com
Other Locations / Branch Office / Warehouses etc.	**Mines Office:** Deogiri, Sandur Taluk -583112, Ballari District, Karnataka **Plant Office:** Vyasankere, Mariyammanahalli, Hosapete Taluk, 583222, Vijayanagar District, Karnataka
Address of Registrar of Companies	**Registrar of Companies, Bangalore** 'E' Wing, 2nd Floor, Kendriya Sadana, Kormangala, Bengaluru- 560034, Karnataka
Designated Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001, Maharashtra
Company Secretary and Compliance Officer	Bijan Kumar Dash **The Sandur Manganese & Iron Ores Limited** "SANDUR HOUSE', No.9 Bellary Road, Sadashivanagar, 560 080 Bengaluru-, Karnataka, **Tel No.:** +91 9448497985 **E-mail:** investors@sandurgroup.com
Chief Financial Officer	Uttam Kumar Bhageria **The Sandur Manganese & Iron Ores Limited** "SANDUR HOUSE', No.9 Bellary Road, Sadashivanagar Bengaluru - 560080, Karnataka, **Tel No.:** +91 9448497926 **E-mail:** investors@sandurgroup.com
Statutory Auditor of the Company	**R. Subramanian and Company LLP**, Chartered Accountants New No. 6, Krishnaswamy Avenue, Luz, Mylapore, Chennai – 600004 **Contact Person:** CA Gokul S. Dixit **Designation:** Partner **Membership No:** 209464 **Tel No**: +91 44 24992261 / 24991347 / 25585443 **E-mail ID**: gdixit@rscompany.co.in **Firm Registration No**: 004137S/S200041 **Peer Review Certificate No**: 013354 dated 29-07-2021

Changes in our Registered Office

The Registered office of the Company has changed within the same city, town, village from Laxmipur, Sandur-583119, Bellary District, Karnataka to "SATYALAYA" Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur – 583 119, Ballari District, Karnataka, India with effect from 31 March 2017, subsequently there is no change in the registered office till date.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND THE COMPANY:

LEAD MANAGER	REGISTRAR TO THIS ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED "Anandlok", Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal **Telephone:** + 91 33 22895101 **Email:** ramakrishna@finshoregroup.com **Website:** www.finshoregroup.com **Investor Grievance Email:** info@finshoregroup.com **Contact Person:** Mr. S. Ramakrishna Iyengar **SEBI Registration No:** INM000012185 **CIN No**: U74900WB2011PLC169377	**VENTURE CAPITAL & CORPORATE INVESTMENTS PRIVATE LIMITED.** 12-10-167, Bharat Nagar, Hyderabad – 500 018 **Telephone:** +91 40 - 23818475/76 **Fax No:** +91 40 23868024 **Email:** pvsrinivas@vccipl.com ; eskprasad@vccipl.com **Investor Grievance Email:** investor.relations@vccipl.com **Contact Person:** Mr.E S K Prasad **Website:** www.vccipl.com **SEBI Registration Number:** INR000001203 **CIN No:** U65993TG1986PTC06936

BANKER TO THE ISSUE
YES BANK LIMITED Yes Bank House, Off Western Express Highway, Santacruz East, Mumbai- 400055, Maharashtra **Telephone:** +91 22 68547260; **Fax No:** +91 22 68547260 **Email:** dlbtiservices@yesbank.in ; **Website:** www.yesbank.in **Contact Person:** Sachin Shinde **SEBI Registration No.:** INIBI00000935

Note: Investors may contact the Company Secretary and Compliance Officer and/or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letter of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

All grievances in relation to the application may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, ASBA Form number, Applicants' DP ID, Client ID, folio number, PAN, number of Equity Shares applied for, date of submission of ASBA Form, amount blocked, ASBA account number, the name and address of the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip.

Self-Certified Syndicate Banks ("SCSBs")

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE Limited, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of *Inter Se* Allocation of Responsibilities
Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Credit Rating
This being an Issue of Right Equity Shares, credit rating is not required.

Debenture Trustees
As the Issue is of Right Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency
As the Issue Size is below ₹ 10,000 lakh, the appointment of a monitoring agency is not required.

Underwriting
This Issue of Rights Equity Shares is not being underwritten.

Filing of Draft Letter of Offer/Letter of Offer
The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rs. 50 Crore (Rupees Fifty Crore).

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining in-principle approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, the Company will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in

Minimum Subscription
As per Regulation 86 of SEBI ICDR Regulations, the clause of minimum subscription will be applicable to the Company. If the Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, the Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Company will pay interest for the delayed period at the rate of 15% p.a. as prescribed under SEBI ICDR Regulations.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Issue Schedule
The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last date for credit of Rights Entitlement	On or before opening of the Issue
Issue Opening Date	8 August 2022
Last date for On Market Renunciation*	23 August 2022
Issue Closing Date	29 August 2022
Finalisation of Basis of Allotment (on or about)	6 September 2022
Date of Allotment (on or about)	7 September 2022
Date of credit (on or about)	8 September 2022
Date of listing (on or about)	13 September 2022

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While the Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

 # The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. ***Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.***

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat account to the Company or to the Registrar, they are required to provide their demat account details to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 24 August 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat account, at least one day before the Issue Closing Date, i.e., 26 August 2022. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see ***"Terms of the Issue"*** on page 150 of this Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. the Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

C. CAPITAL STRUCTURE

The Capital Structure of the Company before the Issue and after giving effect to the Issue, as at the date of this Letter of Offer, is set forth below:

(Rs. in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	**Authorised Share Capital**		
	11,40,00,000 Equity Shares of ₹10/- each	11,400.00	--
	1,00,000 Preference Shares of ₹100/- each	100.00	
	Total	11,500.00	
B	**Issued, Subscribed & Paid-up Share Capital prior to the Offer**		
	90,01,941 Equity Shares of ₹10/- each	900.19	--
C	**Present issue in terms of the Letter of Offer ***		
	1,80,03,882 Equity Shares of ₹10/- each for cash at a price of ₹10/- per share **	1,800.39	1,800.39
D	**Issued, Subscribed & Paid-up Share Capital after the Offer*** **		
	2,70,05,823 Equity Shares of ₹10/- each	2,700.58	2,700.58

**This Rights Issue has been authorized pursuant to a resolution of our Board dated April 10, 2022.*
*** Investors will have to pay the entire offer price i.e. ₹10/- per Rights Equity Share at the time of Application.*
****Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.*

Notes to the Capital Structure:

a) The Company does not have any employee stock option scheme or employee stock purchase scheme.

b) The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

c) All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.

d) At any given time, there shall be only one denomination of the Equity Shares.

e) No Equity Shares held by our Promoter or members of our Promoter Group have been locked-in, pledged or encumbered as of the date of this Letter of Offer.

Intention and extent of participation in the Issue by the Promoter and Promoter Group:
Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated 6 July,2022 (the "Subscription Letters") undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of the Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of the Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ 1,027.97/-

Shareholding Pattern of the Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

(i) The shareholding pattern of the Company for the period ended 30 June 2022 can be accessed on the website of the BSE at:

https://www.bseindia.com/stock-share-price/sandur-manganese–iron-ores-ltd/sanduma/504918/shareholding-pattern/

(ii) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, for the period ended 30 June 2022 can be accessed on the website of the BSE at:

https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=504918&qtrid=114.00&QtrName=

(iii) The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange:

The shareholding of our Promoter Ajai Murar Rao Ghorpade has increased from 16755 equity shares to 23285 equity shares due to transmission of 6530 equity shares from late Smt. Vasundhra Ghorpade on 20 May 2022.

Except the above there is no acquisition by any person belonging to "Promoter & Promoter Group" of the Company.

(iv) The statement showing shareholders holding more than 1% of the total number of Equity Shares for the period ended 30 June 2022 is as follows:

https://www.bseindia.com/corporates/shpdrPercnt.aspx?scripcd=504918&qtrid=114.00&CompName=SANDUR%20MANGANESE%20&%20IRON%20ORES%20LTD.&QtrName=&Type=TM

(v) For Public Category

https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=504918&qtrid=114.00&QtrName=

SECTION V: PARTICULARS OF THE ISSUE

A. OBJECTS OF THE ISSUE

The Company intends to utilise the issue proceeds for the following objects:

1. Investment in the Equity Shares of "Renew Sandur Green Energy Private Limited" (the "Proposed SPV").
2. Issue related expenses.

Details of Proposed Special Purpose Vehicle (SPV):

Sl. No.	Particulars	
1.	**Name of SPV**	Renew Sandur Green Energy Private Limited
2.	**CIN**	U40108DL2021PTC387102
3.	**Class and Category of Company**	Private Company limited by shares
4.	**Date of Incorporation**	24 September 2021
5.	**Registered Office Address**	138, Ansal Chambers-II, Bhikaji Cama Place, Delhi-110066
6.	**Authorised Capital**	Rs. 1,00,000/-
7.	**Paid up Capital**	Rs. 1,000/-
8.	**Parties Involved**	1. Renew Green Energy Solutions Private Limited *(Renew Green)* 2. The Sandur Manganese & Iron Ores Limited *(the Company)*
9.	**Form of Investment**	Investment in equity shares of Renew Sandur Green Energy Private Limited

Background

Power availability has always been a critical factor for existing operations of the ferroalloys plant and for future expansions. The Company has several times contemplated to explore the possibility of procurement of power from different sources at cheaper cost to operate all the three existing furnaces of ferroalloy plant and other expansion activities. In the process, the Company has initially ventured into establishing a 32MW Thermal Power Plant and commissioned the same during the year 2010. With the object of reducing the cost of generating power, the Company has set up Waste Heat Recovery Boilers and commissioned the same during 2021 and is now venturing into green energy to meet additional power requirements.

The abovesaid investment in proposed SPV "Renew Sandur Green Energy Private Limited" is authorised by resolution of the Board of Directors of the Company passed at its 355th Board Meeting held on 10 April 2022. Renew Sandur Green Energy Private Limited ("Proposed SPV") is in the process of setting up a 42.9 MW AC renewable energy power plant comprising of a 33 MW solar power plant and 9.9 MW of wind power plant, at Kudligi Taluk, Ballari District, Karnataka which will be designated as a captive power plant for supplying power to the Company subject to complying with the conditions provided in the Electricity Act and the Electricity Rules for consumption of electricity by the Company.

Principal terms and conditions of the proposed SPV are as follows

- Renew Sandur Green Energy Private Limited shall be the Special Purpose Vehicle ('SPV') of Renew Green in which the Company (SMIORE) shall acquire 49% equity stake and the balance 51% shall be acquired/ held by Renew Green. The SPV shall develop the solar and wind units in Karnataka for dedicated use of/ supply to the Company, being the user of power, at its ferroalloy plant located at Vyasankere, Mariyammanahalli, Hosapete Taluk- 583222 Vijayanagar District, Karnataka.

- Source of supply shall be solar and wind power generated from the respective solar and wind units. The project is proposed to be set up in Kudligi Taluk, Vijayanagara District, Karnataka by the Power Producer i.e Renew Sandur Green Energy Private Limited.

- All land with all approvals/ clearances and right of way required for development and operation of the Project ("Project Site") shall be obtained by the Proposed SPV at its cost and risk.

- The Proposed SPV shall be responsible for arranging the finance for the Project, at its sole cost and risk, without any recourse to the Company (except for seeking specific performance of the obligations of the Company under the Share Subscription and Shareholder Agreement).

- As per the executed Term Sheet the minimum off-take commitment shall be for 25 years from the Commercial Operation Date ('COD') of the Project.

- The benefit that will accrue to The Sandur Manganese & Iron Ores Limited will be assured supply of power to its Metal & Ferro Alloy Plant to the extent mentioned in above para and at a concessional rate which will result in savings in power cost.

Issue Proceeds

The details of the Issue Proceeds are set out below:

Sl. No.	Particulars	Estimated Amount *(in Rs. lakh)*
1.	**Gross proceeds of the Rights Issue ***	**1800.39**
	Less: Issue related expenses	**50.39**
	Net proceeds of the Rights Issue	**1750.00**
2.	**Utilisation of the net proceeds of the Rights Issue**	
	Investment in equity shares of Rs. 10/- each of Renew Sandur Green Energy Private Limited.	**1750.00#**

**Assuming full subscription and allotment*
 # Subject to change upon actual realisation of net proceeds

Details of the form of Investment is as follows:

Investment in the equity shares of "Renew Sandur Green Energy Private Limited".

Issue Related Expenses

The expenses for this Issue include issue management fees, application fees, registrar fees, legal advisor fees, printing and distribution expenses, issue related advertisement expenses, depository charges, registrar charges fees, and listing fees to the Stock Exchange, among others. All the Issue related expenses shall be met out from the proceeds of the Issue and the break-up of the same is as follows:

(Rs. in lakh)

Sl. No.	Activity	Amount (Estimated Expenses)	% of Estimated Issue Size Expenses	% of Estimated Issue Size
1.	**Fees of the Lead Manager, Registrar, Banker and other intermediaries**	**20.39**	**40.47%**	**1.13%**
2.	**Statutory Fees payable including depositories, Stock Exchange**	**18.00**	**35.73%**	**1.00%**
3.	**Statutory Advertising, Marketing, Printing and Distribution**	**6.00**	**11.9%**	**0.34**
4.	**Other expenses (including miscellaneous expenses))**	**6.00**	**11.90%**	**0.34**
	Total Estimated Issue Expenses*	**50.39**	**100%**	**2.81%**

**Assuming full subscription with respect to Rights Shares, finalization of Basis of Allotment and actual Allotment. All Issue related expenses will be paid out of the Gross Proceeds from the Issue. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted by the Company accordingly.*

Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Interim use of Net Proceeds

Pending utilization for the purposes described above, the Company intends to invest the funds with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Issue Proceeds as permitted under the SEBI (ICDR) Regulations or as may be permitted by the SEBI. In accordance with Section 27 of the Companies Act, the Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Monitoring Utilization of Funds

As the Issue size is less than Rs.10,000 lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

B. STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE SANDUR MANGANESE AND IRON ORES LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors
The Sandur Manganese & Iron Ores Limited
Satyalaya, No 266 (Old No 80)
Behind Taluka office, Ward no. 1
Palace road, Sandur- 583 119,
Ballari District, Karnataka, India

Subject: Statement of possible Special tax benefits ("the Statement") available to The Sandur Manganese & Iron Ores Limited ("the Company") and the shareholders of the Company in connection with the proposed rights issue of equity shares of the Company under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

Dear Sirs,

We, R Subramanian and Company LLP ('the Firm'), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the Annexure I prepared and issued by the Company, which provides the possible special tax benefits under direct and indirect tax laws, including the Income-tax Act, 1961 ('Act') presently in force in India viz. the Income-tax Act, 1961, ('Act'), the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, The Central Goods and Services Tax Act, 2017/ The Integrated Goods and Services Tax Act, 2017/ relevant State Goods and Services Tax Act, 2017 ("GST Act"), and the rules made thereunder as amended by The Finance Act 2021, i.e., as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, presently in force in India, available to the Company, and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the aforesaid Acts. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions. The Company and its shareholders may or may not choose to fulfil such conditions based on the business imperatives the Company and its shareholders face in the future.

This statement of possible special tax benefits is required as per Schedule VI (Part B-1) (10) of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits (under direct and indirect tax laws (together the Taxation Laws)) available to the Company and its shareholders, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to them.

In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

The benefits stated in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's Board of Directors. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Rights issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory body, tax authority or agency.

We do not express any opinion or provide any assurance whether:

- The Company and, its shareholders will continue to obtain these benefits in future.
- The conditions prescribed for availing the benefits have been/ would be met.
- The revenue authorities/ courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexure to this Statement is intended solely for your information and for inclusion in the Letter of Offer and any other material in connection with the proposed right issue of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For R Subramanian and Company LLP
Chartered Accountant
FRN: 004137S/S200041

Partner
M No: 243500
UDIN:22243500AMIRZA3447

Date:06-07-2022
Place: Chennai

Annexure- I

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE SANDUR MANGANESE & IRON ORES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible direct and indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company and its shareholders may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or its shareholders to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income-tax Act, 1961 ('IT Act'), the Income-tax Rules, 1962 ('IT Rules'), as amended from time to time and applicable for financial year 2021-22 relevant to assessment year (AY) 2022-23 and Indirect Tax Laws as amended from time to time and applicable for financial year 2021-22.

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER IT ACT AND IT RULES

a) Lower corporate tax rate under Section 115BAA

- A new section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020, i.e. AY 2020-21 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA of the IT Act etc.).
- The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("MAT") on its book profits under section 115JB of the IT Act. The Company has exercised the above option for lower corporate tax rate.

b) Section 80M - Deduction in respect of inter-corporate dividends

A new section 80M is inserted in The Finance Act, 2020 w.e.f. 1st April 2020, providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates. The shareholders would be eligible to claim the credit of such tax in their return of income.

- The non-resident shareholders can offer the dividend income to tax under the beneficial provisions of the Double Taxation Avoidance Agreement, if any. Further, the non-resident shareholders would be eligible to claim the foreign tax credit, based on the local laws of the country of which the shareholder is a resident.

- There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company.

- With respect to a resident corporate shareholder, a new section 80M is inserted in The Finance Act, 2020 w.e.f. 1st April 2020, providing for deduction from gross total income of a domestic company, of an amount equal to

dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER INDIRECT TAX LAWS

Solely in relation to the Issue, there are no special indirect tax benefits available to the Company or its shareholders.

Notes:

- These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For and on behalf of the Board of Directors

The Sandur Manganese and Iron Ores Limited

Uttam Kumar Bhageria

Chief Financial Officer & Chief Risk Officer

Date: 6 July 2022

Place: Bengaluru

SECTION VI: ABOUT THE INDUSTRY, COMPANY AND MANAGEMENT

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from "www.ibef.org" and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Overview of Global Economic Conditions and Indian Metals and Mining Industry

GLOBAL ECONOMY

Global prospects remain highly uncertain under the prevailing global pandemic, geopolitical situations and raising inflations. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Geopolitical tensions due to war between Russia and Ukraine have created economic uncertainties and inflations across the world. The *World Economic Situation and Prospects as of mid-2022* warns that the global economy may be on the cusp of a new crisis, while still recovering from the pandemic. The war in Ukraine has upended the fragile global recovery, triggering a devastating humanitarian crisis in Europe, pushing up food and commodity prices, slowing growth globally and exacerbating inflationary pressures worldwide. Geopolitical and economic uncertainties are dampening business confidence and investment and further weakening short-term economic prospects. Against this backdrop, the world economy is now projected to grow by only 3.1 per cent in 2022 and 2023. *(Source: Department of Economic and Social Affairs Economic Analysis, United Nations)*

METAL AND MINING INDUSTRIES OVERVIEW

Minerals are vital inputs in our daily life as well as necessary for India's growth and improving the lives of more than 130 crores Indians. India is well endowed with natural resources, particularly minerals, which serve as raw material for many industries, paving a path for rapid industrialisation and infrastructural development. This, in turn, will facilitate the economy's ascent to a path of sustained growth and a five trillion-dollar economy. Mining accounted for 2% of the country's gross value added and contribute to 1.65% of GDP.

Central Governments ambitious Nation Steel Policy 2017 couples with National Mineral Policy 2019 has given more needed thrust to the mining companies in India. The Government of India has ambitious plan to achieve 300 million tonnes of crude steel production capacity by 2030–31. In other words, the country would have to add roughly 200 million tonnes to its present steel production capacity. Raw material requirement projection in million tons for different minerals are iron ore 447, cooking coal 161, natural gas 20, manganese ore 11, chromite ore 5, limestone and dolomite 86, ferro-alloys 4, refractories 3 andscrap 19.

The National Mineral Policy 2019 replaces the National Mineral Policy 2008. The policy was introduced with the aim to increase transparency and enforcement, and implement sustainable mining practices. Among other things, the policy includes incentives to attract private investment and state-of-the-art technology through rights of first refusal at auction and opportunities for the private sector to take up exploration activities. The policy also emphasises strengthening the regulatory mechanism by incorporating e-governance systems to: (a) prevent illegal mining and value leakages; (b) facilitate end-to-end accounting of mineral ore in the supply chain; (c) increase awareness and information campaigns to involve local populations, to supplement law enforcement capabilities in preventing illegal mining.

Owing to high taxation, logistics and fuel costs etc., the Indian mineral sector has been facing high production cost. After the advent of auction, the production cost in the country has risen steeply from the auctioned mines. As more and more mines are granted through auction, the entire mineral sector is being subjected to high production costs.

The mining sector in India is highly regulated and the legal framework has undergone significant changes in the past five years, the result of which is a more transparent and efficient regime.

The Mineral Laws (Amendment) Act 2020, amends the Mines and Minerals (Development and Regulation) Act 1957 (MMDR Act). The amendments to the MMDR Act, among other things: (a) enables State governments to take advance actions for the auction of a mining lease before its expiry; (b) provides for approvals, licences and clearances of the previous lessee to be automatically transferred to the new lessee for a period of two years from the date of grant of the new lease; and (c) allows holders of a non-exclusive reconnaissance permit to apply for other licences.

COMPOSITION OF INDIA'S METAL AND MINING SECTOR

India is home to 1,531 operating mines. Production of as many as 95 minerals is undertaken in India, including 4 fuel minerals, 10 metallic minerals, 23 non-metallic minerals, 3 atomic minerals and 55 minor minerals (including building and other materials). The country has large reserves of iron ore, bauxite, chromium, manganese ore, baryte, rare earth and mineral salts. Odisha was the leading producer of minerals with 47% market share, followed by Chhattisgarh at 16% and Karnataka at 14%. Production of metallic minerals in the country increased from US$ 6.96 billion in FY18 to US$ 9.1 billion in FY22E. In the same period, production of non-metallic minerals increased from US$ 1.16 billion in FY18 to US$ 1.22 billion in FY22E.

MARKET SIZE

India ranks fourth globally in terms of iron ore production. Production of iron ore in FY21 stood at 681.516 million tonnes. The production of iron ore consisting of Lumps, Fines and Concentrates at 204 million tonnes in 2020-21 decreased by almost 16.9% as compared to 246 million tonnes in the previous year. In FY20, India had a total number of 878 steel plants producing crude steel. In FY21, India's crude steel production stood at 103.54 million tonnes. The steel production in India has been increase by 18% to reach 120 million tonnes (MT) by FY22 (approx.). India's crude steel production stood at 102.49 million tonnes (MT) in FY21. Combined aluminium production (primary and secondary) in India stood at 4.1 MT in FY21, thereby becoming the 2nd largest in the world. Aluminium production stood at 3,285,186 tonnes between April 2020 and January 2021.

India's ranking in 2019 in world production was 2nd in Steel (crude/liquid), 4rd in Zinc slabs, 3rd in aluminium, and Chromite, 4th in Iron ore and lead (refined); 5th in Bauxite, 7th in Manganese ore, 13th in copper (refined), 17th in Magnesite and 16th in apatite & rock phosphate.

During 2021-22, mineral production was reported from 21 States/Union Territories of which the bulk of value of mineral production (excluding fuel and atomic minerals, and minor minerals) of about 88.7% was confined to 4 States. Odisha is in leading position, in terms of estimated value of mineral production in the country and had the share of 47.2% in the national output. Next in order was Chhattisgarh with a share of 16.2% followed by Karnataka (14.31%), Rajasthan (11%) and Jharkhand (4.5%) in the total value of mineral production. State-wise analysis revealed that during 2021-22, the value of mineral production (excluding fuel & atomic minerals) has shown a mixed trend as compared to that in the previous year. The States which have indicated major increase in the value of mineral production are Orissa (93%), Jharkhand (87%), Karnataka (65%) etc. However, some of the principal mineral producing states recorded decrease in value of mineral production (excluding fuel & atomic minerals) and those include Tamil Nadu (-0.85%), Kerala (-2.31%), Himachal Pradesh (-5.45%), etc. **(Source Annual Report Ministry of Mines)**

OVERVIEW OF OVERALL MINERALS, IRON AND MANGANESE ORE PRODUCTION

Production level of important minerals in March, 2022 were: Coal 958 lakh tonnes, Lignite 60 lakh tonnes, Natural gas (utilized) 2813 million cu. m., Petroleum (crude) 25 lakh tonnes, Bauxite 2031 thousand tonnes, Chromite 414 thousand tonnes, Copper conc. 9 thousand tonnes , Gold 169 kg, Iron ore 270 lakh tonnes, Lead conc. 39 thousand tonnes, Manganese ore 269 thousand tonnes, Zinc conc. 182 thousand tonnes, Limestone 373 lakh tonnes, Phosphorite 158 thousand tonnes, Magnesite 12 thousand tonnes, and Diamond 8 carat.
The production of important minerals showing positive growth during March 2022 over March 2021 include: Iron Ore (19.2%), Phosphorite (17.4%), Lignite (16.2%), Gold (13.8%), Zinc conc (10.9%), Natural Gas (U) (7.6%), and Magnesite (6.3%). The production of other important minerals showing negative growth include: Coal (-0.2%), Petroleum (crude) (-3.4%), Bauxite (-4.8%), Lead conc (-5.1%), Limestone (-5.4%), Copper conc (-22.7%), Chromite (-31.8%), Manganese ore (-32.7%), and Diamond (-75.8%). (Source: Ministry of Mines, Posted On: 17 MAY 2022 3:20 PM by PIB Delhi)

Iron ore is a key input for production of steel and primary iron. Majority (over 85%) of iron ore reserves are of medium- to high-grade and are directly used in blast furnace and direct reduced iron (DRI) plants in the form of sized lumps or sinters

or pellets. India was estimated to be the fourth-largest producer of iron ore in 2019. Iron ore production in the country stood at 204.48 million tonnes in FY21. To increase availability of iron ore in India, the government took several initiatives, such as 'Mining and Mineral Policy' reforms, to ramp up production and maximum capacity utilisation by government mining companies. For example, SAIL, with the approval to sell 25% fresh fines and 70 MT dumps and tailings, accelerated sale of iron ore.

The State-wise production of iron ore during 2018-19 to 2020-21(P) and 2020- 21 (April-January) vis-à-vis 2021-22 (April-January) is provided at Table in Annexure. The total production of iron ore in India increased during 2019-20 as compared to 2018- 19, but it decreased in 2020-21(P) as compared to 2019-20. The reason for decline in the production of iron ore was that the year 2020-21 was affected by the pandemic as well as large number of leases expiring on 31.03.2020. However, total production of iron ore in India increased by 27% during 2021-22 (April-January) as compared to the same period of the previous year. In the states of Andhra Pradesh, Goa and Maharashtra, the production of iron ore decreased during this period.

The Government has taken various steps to increase production and availability of iron ore, which *inter-alia* include Mining and Mineral Policy reforms to ensure enhanced production, early auction & operationalization of expired mines, ease of doing business, seamless transfer of all valid rights & approvals, incentivizing for starting of mining operation & dispatch, transfer of mining leases, allowing captive mines to sell upto 50% of the minerals produced, enhancing exploration activities, etc.

(Qty in 000 tonnes)

State	2018-19	2019-20	2020-21 (p)	2020-21 (Apr Jan) (P)	2021-22 (Apr Jan) (P)	% growth in 2021-22 over 2020-21 (Apr - Jan) (p)
Andhra Pradesh	654	825	360	315	266	-15.56
Chhattisgarh	34,893	34,728	36,989	27,831	32,315	16.11
Goa	0	0	94	94	0	-100
Jharkhand	23,433	25,015	21,434	17,573	20,680	17.68
Karnataka	29,823	31,392	34,542	28,544	33,911	18.8
Madhya Pradesh	2,802	3,343	4,094	3,187	5,504	72.7
Maharashtra	660	1,131	1,249	699	664	-5.01
Odisha	1,13,119	1,46,637	1,04,631	81,226	1,09,675	35.02
Rajasthan	1,108	1,012	1,088	873	1,020	16.84
Telangana	2	0	0	0	0	-
All India: Total	**2,06,495**	**2,44,083**	**2,04,482**	**1,60,341**	**2,04,035**	**27.25**

(Ministry of Mines, Posted On: 16 March 2022 3:32 PM by PIB Delhi)

The production of manganese ore at 2,904 thousand tonnes in 2019-20 has increased by 2.98% compared to the year 2018-19. There were 131 reporting mines of manganese ore in 2019-20, and Madhya Pradesh continued to remain the largest producer of Manganese Ore, contributing 32.99% in the total output of the country, followed by Karnataka. The Indian market is thriving with its varied applications for manganese, and the push from the government in this direction adds to its potential.

FAVOURABLE POLICIES ARE SUPPORTING THE SECTOR GROWTH

- Mineral Laws (Amendment) Bill, 2020 - Aims to open a new era in Indian coal and mining sector, specially to promote 'ease of doing business'. It will boost coal production and will reduce dependency on import.
- National Mineral Policy 2019 - Proposed to grant 'industry' status to mining with an objective of boosting financing of private sector
- Relaxed FDI norms - FDI up to 100% is permitted under the automatic route to explore and exploit all nonfuel and non-atomic minerals and process all metals as well as for metallurgy.

- Allowing Private ownership - Government of India is encouraging private ownership for steel operations and other high priority industry

- Skill Development Plan for the Mining Sector (2016-22) - Focus on upgradation of skill sets to foster adaptation of new state of art technology. Increase the capacity and quality of training infrastructure and trainers to address human resource needs.

- As per the planned policy, SBI is open to provide some of the financing required to put 41 coal mines with a combined annual production capacity of 225 million tonnes to private companies.

- Opening of export of iron ores by Karnataka Government.

FOREIGN INVESTMENTS FLOWING IN INDIA

- FDI up to 100% is allowed in exploration, mining, minerals processing metallurgy and exploration of metal and non-metal ores under the automatic route for all non-fuel and non-atomic minerals including diamonds and precious stones.

- From April 2000 to June 2021, FDI inflows in the metallurgical industry stood at US$ 16.01 billion, followed by the mining (US$ 3.0 billion), diamond & gold ornaments (US$ 1.19 billion) and coal production (US$ 27.73 million) industries.

- In April 2021, the directorate general of foreign trade (DGFT) notified that the import policy for copper and aluminium is amended from “free” to “free with compulsory registration” under the non-ferrous metal import monitoring system (NFMIMS). The policy is effective from April 12, 2021.

- In August 2021, Hindustan Zinc collaborated with Normet Group, a Finnish technology firm, to bring battery-powered service equipment and utility vehicles in underground mining.

- The Union Cabinet has approved a memorandum of understanding (MoU) between the Ministry of Steel of the Republic of India and the Ministry of Energy of the Russian Federation on cooperation in the field of coking coal, which is used in steelmaking.

- Epsilon Carbon, a coal tar derivatives company, has built India's first integrated carbon black complex in Bellary, Karnataka, with a Rs. 550-crore (US$ 74.02 million) investment.

- In November 2021, AMNS India announced that it is planning to manufacture specialty steel under the production-linked incentive (PLI) scheme.

GOVERNMENT INITIATIVES

- The Ministry of Mines notified the Mineral Conservation and Development (Amendment) Rules in November 2021 to provide rules regarding conservation of minerals, systematic and scientific mining, development of minerals in the country for environment protection.

- Steel Authority of India Ltd. (SAIL) and Central Public Sector Enterprises (CPSEs), under the Ministry of Steel, supplied 48,200 tonnes of steel for the Purvanchal Expressway, which was inaugurated by the Prime Minister Shri Narendra Modi on November 16, 2021.

- As part of unlocking India’s vast mineral potential by exploration this year, the Ministry of Mines has handed over 152 mineral block reports to different state governments until November 2021. Also, 52 potential G-4 mineral blocks approved by the Geological Survey of India (GSI) have been handed over to 15 state governments.

- In September 2021, India and Australia participated in a joint working group (JWG) meeting on ‘coal and mines’ to strengthen bilateral collaboration in the coal sector.

- In September 2021, Union Cabinet approved the memorandum of understanding between the Geological Survey of India (GSI) and the Joint Stock Company Rosgeologia, Russia, in the area of geosciences.

- In July 2021, the Odisha government approved five key industrial projects worth Rs. 1.46 lakh crore (US$ 19.60 billion) that are expected to boost capacity of steel production by 27.5 million tonnes.

- In June 2021, the Union Cabinet, chaired by the Prime Minister Shri Narendra Modi approved the memorandum of understanding (MoU) to be signed between the Ministry of Mines and the Secretariat of Mining Policy of the Ministry of Productive Development of the Argentine Republic. The MoU will provide an institutional mechanism for cooperation in the field of mineral resources.

- In June 2021, Energy Efficiency Services Ltd (EESL) signed a memorandum of understanding (MoU) with MECON Ltd. to support energy efficiency in steel, mining industry.

- In April 2021, the directorate general of foreign trade (DGFT) notified that the import policy for copper and aluminium is amended from "free" to "free with compulsory registration" under the non-ferrous metal import monitoring system (NFMIMS). The policy is effective from April 12, 2021.

- To increase availability of iron ore in India, the government took several initiatives, such as 'Mining and Mineral Policy' reforms, to ramp up production and maximum capacity utilisation by government mining companies. For example, SAIL, with the approval to sell 25% fresh fines and 70 MT dumps and tailings, accelerated sale of iron ore.

- In Union Budget 2021, the government reduced customs duty to 7.5% on semis, flat and long products of non-alloy, alloy and stainless steels to provide relief to MSMEs.

- To boost recycling of copper in India, the government announced reduction of import duty on copper scrap from 5% to 2.5% in the Union Budget 2021.

- The National Steel Policy aims to boost per capita steel consumption to 160 kgs by 2030-31. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kgs per capita to 38 kgs per capita by 2030-31.

ROAD AHEAD

There is a significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub-surface deposits. Infrastructure projects continue to provide lucrative business opportunities for steel, zinc, and aluminium producers. Iron and steel make up a core component for the real estate sector. Demand for these metals is set to continue given strong growth expectations for the residential and commercial building industry.

OVERVIEW & KEY SECTORS OF KARNATAKA

- Karnataka is located in the south of India. It is surrounded by the Arabian Sea on the west, Goa on the northwest, Maharashtra on the north, Andhra Pradesh on the east, Tamil Nadu on the southeast, and Kerala on the southwest.

- At current prices, Karnataka's gross state domestic product (GSDP) is projected to be ~Rs. 18.85 trillion (US$ 243.56 billion) in 2022-23. The state's GSDP increased at a CAGR of 8.79% between 2015-16 and 2022-23.

- In FY22 (until February 2022), the state's total exports stood at US$ 22.83 billion. In overall exports, sectors such as petroleum products, iron & steel and organic chemicals were the key contributors.

- As of March 2022, the state had an installed power generation capacity of 30,577.59 MW. Of this, central utilities contributed 4,047.70 MW, private utilities (17,684.41 MW) and state utilities (8,845.49 MW).

- In May 2022, the Karnataka Government announced the new 'Karnataka Renewable Energy Policy' for the 2022-27 period. The policy intends to position Karnataka as a preferred renewables investment location and to build a sustainable and green energy-friendly economy.

- As per the State Budget 2022-23, Rs. 12,226 crore (US$ 1.57 billion) has been allocated for the energy sector. Out of this, Rs. 9,419 crore (US$ 1.21 billion) has been allocated to provide subsidies to the Karnataka Power Transmission Corporation Limited.

- In FY22 (till January 2022), Karnataka produced 33.91 million tonnes of iron ore, which was an 18.80% growth YoY.
- Total export value of iron & steel from Karnataka in FY22 (till February 2022) was US$ 2.22 billion.
- On December 19, 2020, Minister of Road Transport & Highways, Shri Nitin Gadkari, inaugurated and laid the foundation for 33 national highway projects in Karnataka. These projects include 1,197 km long roads worth Rs. 10,904 crore (US$ 1.48 billion).
- In December 2020, the Karnataka government approved investments of Rs. 22,419 crore (US$ 3.18 billion) of three different proposals involving electric vehicles (EV) and lithium-ion battery manufacturing with the potential to create nearly 5,000 new jobs.
- Karnataka has emerged as the information technology (IT) hub of India. Export of electronics and computer software from the state reached US$ 81.4 billion in FY20 and US$ 38.8 billion in FY21 (until November 2020), respectively. Export of electronics and computer software accounted for 85% share in Karnataka's overall exports.
- More than 60% of the biotechnology companies in India have a base in Bangalore and the state drives 50% of the total revenue in India's biotechnology sector.
- Karnataka is the first state which came out with an aerospace policy in the country. The Karnataka Aerospace Policy has identified an investment potential of US$ 12.5 billion in this sector during 2013-23 and plans to develop aerospace clusters in different regions of the state.

***(References:** Media Reports, Press Information Bureau (PIB), Union Budget 2020-21, Annual report Ministry of Mines www.ibef.org)*

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the equity shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 18 of this Letter of Offer, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 66 and 138, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Unaudited Financial Statements and Audited Financial Statements.

ABOUT THE COMPANY

The Company was originally incorporated in the name of "The Sandur Manganese & Iron Ores Private Limited" having its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur 583 119, Ballari District, Karnataka and its Corporate Office at No. 9, Sandur House, Ballari Road, Sadashivnagar Bangalore 560 080 under the provisions of the Companies Act, VII of 1913 vide Certificate of Incorporation bearing Registration Number C722/53-54 dated January 18, 1954 issued by the Registrar of Joint Stock Companies, Mysore, Bangalore ("ROC"). Subsequently, the Company was converted into a Public Limited Company and name was changed to "The Sandur Manganese & Iron Ores Limited" pursuant to issuance of fresh certificate of incorporation dated November 28, 1964 by Registrar of Companies, Mysore, Bangalore.

The Company was incorporated under the support and guidance of his Highness Yeshwantrao Hindurao Ghorpade with a vision to develop the manganese and iron ore mines in a scientific manner and his eldest son Murarirao Yeshwantrao Ghorpade took on the mantle to achieve his father's dream which led to the beginning of an era. Currently, the descendant of the Royal Family, Bahirji A. Ghorpade who is the Managing Director of the Company is spearheading the business of the Company.

Over the decades, the Company, "The Sandur Manganese & Iron Ores Limited" (SMIORE) operations have expanded to cover mining, downstream facilities of ferroalloy, coke and energy. The Company believes in integrating across its value chain and consolidating its business, to ensure that the Company adds value in each stage and the operations are complementary to each other.

The Company is a private sector merchant miners and commodity producers with an operational track record spanning nearly seven decades. The cornerstone of its business still lies in environmentally friendly, systematic, safe and scientific mining. The Company believes it is one among the largest Manganese Ore miner in India. The Company is engaged in mining of manganese and iron ores in Deogiri village of Sandur taluk, Bellary District, Karnataka. The Company is also engaged in the manufacture of ferroalloys & coke.

At present, the Company's operations span over three business segments i.e., ***Mining (Manganese & Iron Ores), Ferroalloys and Coke & Energy***. Together, these assets work in conjunction with each other to leverage the benefits of being an integrated Company in the metals and mining industry.

Upon the introduction of the Sustainable Development Framework (SDF) by the Government of India, SMIORE was the only Mining Lessee in the State of Karnataka to have received a ***5-star award*** and was one among the three iron ore Mining Lessees in the country. Thereafter, SMIORE has been continuously receiving a 5-star rating every year - a testament to its operational track record.

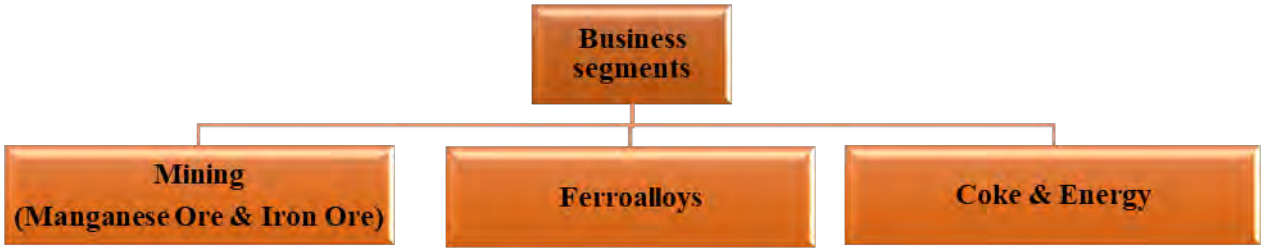
The Company has been conferred with the following awards by various esteemed government and private bodies for its dedicated effort:

- ***Five Star Award for Implementing SDF (Sustainable Development Framework) -*** The Government of India, Ministry of Mines, evaluates mining organizations on a framework of compliance mechanism for the environment and forest safeguard. It awards a star-based rating on the basis of performance. SMIORE has been winning the award from 2014-15 to 2020-21.
- ***Vishwakarma Rashtriya Puraskar, National Safety Awards (Mines)*** - The Ministry of Labour & Employment, Government of India has conferred SMIORE with the highest safety awards for the years 1983, 1991 and 2017.

- ***Excellence Award, Productivity, Quality, Innovation and Management, 2009*** - SMIORE was awarded the Excellence Award by the Institute of Economic Studies (IES) and was presented by Shri Korn Dabbaransi, Hon'ble Former Deputy Prime Minister of Thailand.
- ***Recognized by Vasudeva Committee (Constituted by Government of India) for Systematic Mining***
- ***Participation award in second NCMM 15 February 2017,*** *Ministry of Mines, Government of India*
- ***1st Prize for Occupational health, welfare and amenities and creation of awareness on silicosis Mines Safety week observation 2019,*** *Mines Safety Association Karnataka*
- ***1st Overall performance, Mines Safety week observation 2019,*** *Mines Safety Association Karnataka*

PRODUCT PORTFOLIO

Our product range covers different business segments as mentioned below:



SECTORS THAT THE COMPANY IS ENGAGED IN

Sector(s) that the Company is engaged in	a) Mining of Manganese Ore (NIC Code 07293)
	b) Mining of Iron Ore (NIC Code 07100)
	c) Manufacture of Ferroalloys (NIC Code 24104)
	d) Generation of Power (Captive consumption) (NIC Code 35102)
	e) Manufacturing of Coke (NIC Code 19101)

PRINCIPAL ACTIVITIES OF THE COMPANY

I. MINING

Mining operations are the mainstay of the Company, and it is engaged in the mining of Manganese Ore and Iron Ore, from its mining leases located in Sandur, Ballari district of Karnataka. These mining leases have been operated by the Company since its inception in 1954. At present, the Company has 2 mining leases with a cumulative lease area of 1,999 HA, valid up to 31 December 2033. These leases are estimated to have a total reserves to the tune of 14 MT of Manganese Ore and 110 MT of Iron Ore. It has been proposed to enhance manganese ore from 0.28 to 0.46 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

a) Manganese Ore (0.28 MTPA)

Since its inception in 1954, the Company has owned and operated the largest manganese ore mines in the private sector, along with sizeable iron ore reserves located within the vicinity of Sandur taluk, Ballari District of Karnataka State. Our mining operations have won multiple accolades and awards for setting unprecedented standards in safety, sustainability and innovation for nearly seven decades. Among other mentionable recognition, the Government of India has successively awarded SMIORE with the highest standards of safety awards for many years. These awards acknowledge the Company's focus on safety norms and the working conditions of the mineworkers and its endeavour to make its operations accident-free with zero incidents.

SMIORE's manganese ore is known for its low phosphorus content (below 0.05%). It has the unique reputation of being one of the finest grades, low phosphorus metallurgical ores used in blends for producing ferroalloys and steel. A part of our mined ore is used captively in the ferroalloy operations, and the rest is sold out. The Company has assessed Manganese ore reserves of 14 MT for future mining operations.

SMIORE is permitted to mine Manganese Ore up to 0.28 MTPA, as per the parameters prescribed by the Hon'ble Supreme Court. The Company is engaged in semi-mechanized Manganese Ore mining operations.

The SMIORE mines are well-connected to two railway sidings - Swamihalli (SMLI) and Sunderambencha (SDMG) on the Swamihalli - Hospet BG Line. Further, to facilitate movement of the product directly to the railway siding, the Company is currently setting up a Downhill Conveyor to transport the ore in a pollution-free and environment-friendly manner.

b) Iron Ore (1.60 MTPA)

SMIORE is mining iron ore from our vast reserves of 110 MT. the Company's fully-mechanized iron ore mining operations generate internal efficiencies and ensure better workplace safety and compliance to environmental protection norms. SMIORE is one of the few mining lessees in India with a consistent track record of receiving 5-Star rating awards for its systematic and safe mining operations from the Government of India.

Our iron ore mining operations are also vital to future downstream integrations, especially in manufacturing steel.

SMIORE is permitted to mine Iron Ore up to the 1.60 MTPA, as per the Environmental Clearance obtained for the mining lease. It primarily produces iron ore, with 56% - 58% Fe grade. The Company has assessed iron ore reserves of 110 MT for future mining operations under various categories.

II. MANUFACTURING

a) FERROALLOYS (95,000 TPA)

The Company began its journey in the Ferroalloys business in 1966, shortly after it was listed on BSE. SMIORE commissioned an Electro Metallurgical plant at Vyasankere, Karnataka, in 1968 and began its operations. This unit is equipped with Italian and Norwegian submerged electric arc furnaces which are utilized to produce Ferroalloys.

In 1977, the Company setup two additional 20 MVA furnaces venturing into the production of Ferroalloys such as Ferromanganese, Ferrosilicon and Silicomanganese.

By the year 1980, the Company's metal & ferroalloy plant was recognized as one of the finest metallurgical plants of the country and gained prominence for supplying quality low-phosphorous pig iron to the Indian foundry industry, especially for the quality-conscious automobile industry, and also ferroalloys to SAIL and other steel plants in India and overseas.

Due to inadequate supply of power from the State Electricity Board, and unviable rates, the Company's Ferroalloys operations became unviable in the 1990's and had to be shut temporarily between 2000 - 2007. Later, the Company established a 32 MW thermal power plant to meet its power needs. In FY21, to further address the cost-feasibility of power generation, the Company commissioned a Waste Heat Recovery Boiler (WHRB) plant. This plant coupled with the Power Generation plant produces electricity as a byproduct. This helped to address the power supply issue, while also addressing the upcoming Coke demand for the Hot Metal plant.

The primary product produced by SMIORE is **Silicomanganese**, and other products could include **Ferromanganese** and **Ferrosilicon**. Currently, the existing production capacity of the Company is 95,000 TPA/ 1,25,000 TPA (Silicomanganese/ Ferromanganese) (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.)

b) COKE AND ENERGY (0.5 MTPA Coke oven plant & 32 MW Waste Heat Recovery Boiler)

SMIORE strives for fully-integrated operations with a vision to achieve self-sufficiency and optimum operational efficiency through forward and backward integrations. It is this philosophy that guided the Company to set up a captive thermal (coal-based) power plant and further expansion of coke production using newly added coke oven plants. The Company is conscious of the massive power requirements in ferroalloy production and other downstream operations and contemplated to switch to cleaner energy sources to arrest adverse environmental impact.

The Company completed its coke oven expansion in FY21 with the commissioning of two coke oven units. The Coke Oven plant is the most recent addition to SMIORE's operations. It consists of 4 batteries and has a cumulative capacity of 0.5 MTPA.

The Company with these plant expansions, the Company has enabled a feasible power generation set up to support the Ferroalloys operations. It has also enabled backward integration of Coke for future steel expansion.

Additionally, two Waste Heat Recovery Boilers (WHRB) with a cumulative capacity of 32 MW have been set up to generate cleaner energy during the production of industrial coke.

By setting the coke oven plant with integrated Waste Heat Recovery Boilers (WHRB), the Company has taken major steps towards producing metallurgical coke and generating cleaner energy for the power requirement of ferroalloy manufacturing operations.

Expanding and enabling Coke production is strategic to the Company's vision to augment its product portfolio while building internal capabilities to materialize the long-term goal of the Company to set up a 0.3 MTPA DI pipe plant.

Energy conservation and adoption of cleaner energy have been core to the sustainable development framework of the Company. Recently, the Company has installed solar-based devices with an aggregated installed capacity of 296.80 kW to replace a part of our total requirement of non-production electricity.

MANUFACTURING PROCESS

- **Manganese Ores**
  Most manganese mining occurs in open pits. The open-pits are worked manually by benching method, using portable compressors, jackhammers and dumper trucks. Height of the benches in overburden is kept at 7.5 m and that in the ore at 6 m. Drills of 100 mm dia with 0.9 to 1.7 m3 capacity of shovels and 20-25 tonnes dumpers are used for production, loading & transport.

- **Iron ores**
  The mining in the earlier decades was done manually as was scattered in various locations. SMIORE modernized its activities by inducting mining machineries, such as excavator and wheel loader developing the benches in such a way that the height of the bench does not exceed 7.5 Meter and the width not less than 15 Meter. The overall slope angle is 170 to 180.

  The overburden is removed by drilling 105mm dia blast holes with wagon drills and blasting is done with ANFO with SLURRY explosives. The blasted material is removed by the Excavators/ Wheel Loaders with tipper combinations. Ore excavation is done by drilling and blasting 33mm dia blast holes 1.5M – 2.4 MN depth. Then blasted ore is transported to the sorting yard & segregated manually. Ore is sorted, sized, stacked and sampled according to different grades after obtaining sample results; the ore is transported to different designated destinations.

- **Ferromanganese Process**
  The process involves direct reduction of the oxides of manganese and iron by carbon to form ferromanganese and removal of undesirable oxide like Al2O3 and Sio2 by fluxing them to form a fluid basic slag. Manganese ore as a source of Mn, pearl coke as reductant, lime stone as flux are the main raw materials. Liquid alloy and slag are

intermittently tapped through a common tap hole. Slag is easily separated and granulated by impingement of high-pressure water jets.
The liquid alloy is cascaded in pans so as to cast in to slabs. The solidified slab is cooled and broken to lump size (50 to 110mm). Ferromanganese is used for steel making.

- **Silicomanganese Process**
  The process involves direct reduction of the oxides of manganese, iron and silicon by carbon to form Silicomanganese and removal of undesirable oxides like Al2O3 and Cao by fluxing them to form a fluid basic slag. Manganese ore as a source of manganese, quartz as a source of silicon, pearl coke as reductant, lime stone as a flux all the main raw materials. Liquid alloy and slag are intermittently tapped through a common tap hole. Slag is easily separated by impingement of high-pressure water jets. The liquid alloy is cascaded in pans so as to cast in to slabs. The solidified slab is cooled and broken to lump size (50 to 110mm). Silicomanganese is used for steel making.

- **Ferro Silicon Process**
  This slag less process involves direct reduction of the oxides of silicon and iron by carbon to form ferrosilicon. Quartz as a source of Si, charcoal as reductant and iron as a source Fe are the main raw materials. The liquid is tapped through one of the tap holes in refractory lined ladles and cast in beds lined with ferrosilicon powder. The solidified slab is cooled and broken to lump size (50 to 150mm). Ferrosilicon is mainly used for steel making.

- **Coke**
  There are two units of non-recovery type coke ovens with total capacity of 0.5 MTPA. Already one unit having two batteries with 28 ovens in each battery is in operation and similar capacity of unit under construction and nearly completed. The main objective of the coke oven unit is carbonization of coking coal to coke which occurs in coke oven batteries at 1200 °C.

  Coal handling and preparation facilities for Coke:
  Coal is received in railway wagons. Steps of coal preparation for the coking include reception, preliminary crushing, storing, proportioning, coal blend, final crushing, mixing and transportation of the coal blend to the coal tower.

  Coking Process & Coke handling facilities:
  To convert coal into coke by carbonizing coal in limited air combustion thereby distilling the volatile matter out of coal i.e. flue gas is collected in a common header used for heat recovery. The coal cake formed in the stamping unit is charged into oven using pusher car. The carbonization takes place in ovens at 1200 °C with a conversion time of 36 hours using heat from walls of the oven and controlled combustion takes place with air admitted in controlled manner. The flue gas generated from this process is directed to waste heat recovery boiler for electrical power generation using steam. The coke is pushed in to quench car where it is quenched with cold water in quench tower after which coke is transported to wharf for further quenching if missed out in the previous stage and to protect from high temperature for downstream system and handling such as cutter and screen for the dispatch.

- **Power Generation**
  The Waste heat from the coke oven exhaust gases is passed through the Waste Heat Recovery Boiler(WHRB). The Sensible Heat in the gases is transferred to water in the boiler tubes and converted in to Steam. The Gases from two batteries of coke oven is connected to One WHRB of 60 TPH capacity. We have 2 X 60 TPH WHRB Boilers connected to four Batteries of Coke oven plant. The Steam generated in WHRB Boilers is fed to the Turbine which in turn coupled to Generator for the power generation. Steam turbo generator converts the heat energy captured by steam in to Mechanical Energy and the Mechanical Energy is converted in to electrical energy in the generator. i.e. chemical energy held within the coal is first translated into heat energy & then to mechanical energy & finally in to electrical energy.

  The Power Generated at 11 KV voltage is partially utilized at power plant for its auxiliary units. The Balance energy is then pumped to the Sub Station where it is stepped up to 110 KV level voltage. The Energy received at Substation is distributed to Ferro Alloy plant and Coke oven plant and balance will be exported to Grid

Existing Production Capacity and Capacity Utilisation:

Set forth below is the detail of the installed and utilized capacity of our products.

Financial Year 2021-22	Installed capacity (TPA)	Production (TPA)	Capacity Utilisation
Manganese Ore	2,86,000	2,85,478	100.00%
Iron Ore	16,00,000	15,65,668	98.00%
Ferroalloys	95,000	54,698	57.58%
Coke	5,00,000	4,64,635	97.00%

Environmental Clearances for revised capacity

1st Expert Appraisal Committee (EAC) meeting held on 5 March 2022 and 6 March 2022 for Industry- Sector, discussed and approved the Company's proposal. Based on EAC approval MoEF & CC granted revised EC with amended plant configuration and product mix on 30 March 2022, as detailed below:

Sl. No.	Description	Location	Existing configuration as per EC dated 25 June 2018	Final approval as per EC dated 30 March 2022
1	Submerged arc furnace	Vyasankere, Mariyammana Halli, 583222, Hospete Taluk, Vijayanagar District, Karnataka	**1*15 MVA, 2*20 MVA** **Production Capacity:** **0.066 MTPA of FeMn or 0.048 MTPA of SiMn or 0.03 MTPA of Ferroalloys or 0.0144 MTPA FeSi**	**1*15 MVA, 1*20 MVA, 1*24 MVA** **Production Capacity:** **0.125 MTPA of FeMn or 0.095 MTPA of SiMn or 0.135 MTPA Pig Iron or 0.050 MTPA FeSi**
2	Sinter plant (Mn. Ore fines)		**0.012 MTPA**	**0.012 MTPA**
3	Mn Ore beneficiation plant		**0.016 MTPA**	**0.016 MTPA**
4	Coal based power plant		**32 MW**	**32 MW**
5	Non-recovery coke oven		**1*0.4 MTPA**	**1*0.5 MTPA**
6	WHRB and power plant		**32 MW**	**32 MW**
7	Blast Furnace (BF)		**2*0.4 MTPA**	**1*0.4 MTPA**
8	BF gas based power plant		-	**10 MW**
9	Pig casting machine		**1*0.4 MTPA**	**1*0.2 MTPA**
10	Sinter plant (Iron ore fines)		**2*0.53 MTPA**	**1*0.53 MTPA**
11	DI pipe plant		**NA**	**1*0.3 MTPA**
12	Oxygen plant		**1*23100 TPA + 1*66000 TPA**	**1*60000 TPA**

13	Energy Optimizing Furnace (EOF)		**2*50T – 1.057 MTPA**	-
14	Ladle Refining Furnace (LRF)		**2*50T – 1.057 MTPA**	-
15	Vaccuum De-gassers (VAD)		**2*50T – 1.057 MTPA**	-
16	Continuous Casting Machine		**2*50MTPA – 1.036 MTPA**	-
17	Rolling Mill		**2*50MTPA – 1.00 MTPA**	-

OUR COMPETITIVE STRENGTHS

1. Organizational stability along with management expertise: Our group has an excellent track record of nearly 7 decades in undertaking mining operations in accordance with the law which indicates the Company's ability to weather economic and business cycles and competent promoters have nearly 7 decades of relevant experience. This indicates our ability to maintain business viability and steer the business though operational hurdles. Our Management is the guiding force behind the operational and financial decision of The Company. Our Management is responsible for the entire business operations of the Company along with an experienced team of professionals who assist them. This indicates our ability to maintain business viability and steer the business though operational hurdles.

2. Smooth flow of operations: We have maintained good relationship with our major customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy.

3. Well-defined organizational structure: The Company has a qualified and experienced management that has decision making powers. It is expected to benefit from the management's ability to ensure smooth flow of operations. The Company is managed by a team of competent personnel having knowledge of core aspects of our Business. We have an experienced management team having vast experience in the industry. We believe that our senior management has pioneered our growth and fostered a culture of innovation, entrepreneurship and teamwork within our organization. We believe that a motivated and empowered employee base is key to our competitive advantage. Our personnel policies are aimed towards recruiting talented employees and facilitating their integration into our organization and encouraging the development of their skills and expertise. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. We are dedicated to the development of expertise and know-how of our employees and continue to invest in them through training and skills.

4. Existing Supplier Relationship: Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. Further we also leverage the past experience of our management in maintaining effective supplier relationship.

5. Scientific Mining: At SMIORE, right from its inception, the Company has always laid emphasis on scientific mining, safety, afforestation and environment protection. The vision of Late Yeshwantrao Ghorpade, stands true even today. SMIORE's culture and philosophy of utmost regard and respect to the various statutes and rules of mining, has held it in good stead. The Company has been accorded various awards by esteemed government and private bodies for its dedicated effort.

6. Environment friendly Mining operations: SMIORE's commitment towards the environment is one of the top priorities of the Company. The Company efficiently and effectively works towards the development of its mining lease land, and believes that it is incumbent on them to protect and conserve the environment. In its endeavour to remain environmentally conscious, SMIORE is committed to reducing waste, greenhouse gas emission and energy use in its operations. The Company takes concrete steps to minimise ecological disturbance and rejuvenate the flora in its operational areas. The Company believes that it must conduct its business ethically, and it is cognizant of the hazards and risks of mining. It places its employees at the forefront of its business, and therefore does not compromise on the health and safety of its people and employees.

SMIORE is committed to preserving the environment and the welfare of people and communities associated with mining operations or living around the mining buffer zones, as manifested in its continual contribution towards afforestation, health and education.

8. 5-Star Rating Award: The Government of India, Ministry of Mines, evaluates mining organizations on a framework of compliance mechanism for the environment and forest safeguard. It awards a star-based rating on the basis of performance. SMIORE has been winning the award from 2014-15 to 2020-21.

9. Quality & ISO Certifications: Our ISO certificates shows our good quality of services and good strength.

OUR BUSINESS STRATEGY

1. **Quality Assurance:** We will continue to maintain quality of our existing products to cater to various customers in the market. We endeavor to maintain the quality of our products, and follow strict procedures to ensure timely delivery and at competitive prices.

2. **Expansion:** As we step into a new era, we keenly await the expansion of our mining operations, which is pending approval from relevant authorities. Our Manganese ore capacities are expected to expand to 0.46 MTPA from current 0.28 MTPA, and our iron ore capacities are expected to expand to 4.5 MTPA from current 1.60 MTPA, which is in compliance with the parameters prescribed by the Hon'ble Supreme Court of India. We realise that the Company must transition from a pure-play merchant miner to an integrated steel manufacturing company, which will enhance our value proposition multifold. In this connection the Company has already received EC approval to set up 0.4 MTPA Hot Metal Plant with associated facilities. We are well on our way in this journey towards value-addition, and are geared to forward integrate and be present across the entire value chain of producing steel. The Company is also planning to expand its Mining operations. We aim to integrate fully and not lose any aspect in the value chain. Our unique strategy is to consolidate the business, so that one product compliments the other, and the best possible value-addition can be achieved.

3. **Leverage and enhance our brand name:** The Company believes that its main accumulation of wealth over the last six decades of its existence has been its "goodwill". We believe that our brand commands a recall amongst the consumers in the areas where we operate due to its image and goodwill established over the years. We intend to leverage the brand equity that we enjoy. Also, we plan to leverage our existing brand, which have good recall with customers to introduce a wider range of services.

4. **Improving operational efficiencies:** The Company strives for fully-integrated operations with a vision to achieve self-sufficiency and optimum operational efficiency through forward and backward integrations. It is this philosophy that guided the Company to set up a captive thermal (coal-based) power plant and further expansion of coke production using newly added coke oven plant. The Company is conscious of the massive power requirements in ferroalloy production and other downstream operations and has envisioned switching to cleaner energy sources to arrest adverse environmental impact.

5. **Community Development:** The Company believes in inclusive growth and it effectively reaches out to the underprivileged communities and addresses their challenges to improve their quality of life. Inspired from its rich heritage and strong parentage, SMIORE takes pride in being a responsible mining company, laying emphasis on scientific mining, safety, afforestation and environment protection. Over the last six decades, the Company has undertaken several measures to improve the quality of education, healthcare, sanitation, community development, housing, environment and infrastructure.

6. **Unprecedented standards in safety, sustainability and innovation:** Our mining operations have won multiple accolades and awards for setting unprecedented standards in safety, sustainability and innovation for over six decades. Among other mentionable recognition, the Government of India has successively awarded SMIORE with the highest standards of safety awards for many years. These awards acknowledge the Company's focus on safety norms and the working conditions of the mineworkers and its endeavour to make its operations accident-free with zero incidents.

SWOT ANALYSIS

Strengths

- Established operations and proven track record
- Quality Assurance and Standards
- Unprecedented standards in safety, sustainability and innovation
- Experienced Management Team
- Satisfied customer with quality and service
- Smooth flow of operations
- Strong business model

Weakness

- Insufficient market reach
- Limited pricing power due to fragmentation in the industry

Opportunities

- Potential to provide other valueadded services
- Expanding new geographical area
- Opportunities in Indian Market
- Government thrust for infrastructure development will boost in rise in demand

Threats

- Increased Competition from Big Players
- Change in Government Policies
- Rising labour wages
- Margins may be constrained in the future

IMPACT OF COVID PANDEMIC

The COVID Pandemic has emerged as biggest risk nationally and globally. The outbreak which started impacting and damaging the health, business, trade and lives of people negatively during the financial year 2019- 2020 continued affecting the same in the financial year 2020-21 also. The outbreak seriously impacted physical and emotional wellbeing of the people across the country and worldwide. Though there was relaxation on movement of people after September 2020 due to series of effort by Union and State Governments, lower number of daily infections, and adherence of COVID Pandemic appropriate behaviour by people, the emergence of 2nd wave during April 2021 and lockdown by state government brought bigger plight in the lives of citizens.

The operation and productivity of the Company was marred during the 1st quarter of the financial year 2020-21 due to nationwide lockdown, reduced demand of downstream products and operational inconvenience. The Company had to shut down the mines and ferroalloy plant culminating into meagre output. All the major CAPEX plans were stalled temporarily and commercial production from the projects required to be rescheduled. Upkeeping of plant through regular maintenance activity was a major challenge during 1st Quarter. During 2nd quarter of the financial year 2020-21 with systematic unlocking process undertaken by the State Government and resumption of demand and increased production of steel, production capabilities of manganese and iron ores, silicon manganese and coke of o Company increased. During September 2020 the production capacity of Battery 1 and 2 were ramped up. Waste Heat Recovery Boiler (WHRB) which was restarted during the last week of July 2020 stabilized during the 2nd quarter of the financial year.

During 3rd quarter and 4th quarter of the financial year 2020-21 there was ramp up in business operations at mines and ferroalloy plant. Consistent effort and endeavour of the Company brought the business back to normalcy. Collective and concerted effort of management, executives and entire workforce have enabled the Company to tackle the difficulties with courage and bring back the operations to its optimum level. Even during 2nd wave of pandemic Company's endeavour has been to keep the operations at normal level while ensuring the safety of employees, their families and dependants. During COVID Pandemic, Company's top priority has been to ensure physical and emotional wellbeing of its 2400 strong workforce, their families and dependants. Company released a Safe Operating Procedure (SOP) and COVID Pandemic protocol to arrest the spread of virus at work place. Strict adherence of SOP was ensured at mines, plant and offices to maintain good hygiene. Initiatives were taken to support the employees and their dependants during these periods of turmoil.

During the financial year 2021-22 the Company operated optimally without any adverse impact of COVID Pandemic on business.

MARKETING STRATEGY & END USERS

Business verticals	Marketing strategy	End-users
Mining		
Iron Ore	**100% of mined iron ores are sold through auction**	**Iron and Steel manufacturing companies**
Manganese Ore	• 25% of mined Mn Ores are captively consumed	**Captive consumptions, for manufacture of Silico Manganese and Ferro Manganese**
	• 75% of mined Mn Ores are sold indigenously to ferroalloy manufacturer, beneficiation plants and iron & steel manufacturers through auction	**Iron and Steel manufacturing companies**
Ferro alloys		
	Traders	**Iron and Steel manufacturing companies**
	Foundries	**Iron and Steel manufacturing companies**
	Deemed exporters	**Iron and Steel manufacturing companies**
Coke	**Sold to iron and steel manufacturers**	**Iron and steel manufacturers, used in blast furnace to convert iron ores to hot metals**
Energy	**Power generated from waste heat recovery boilers get captively consumed**	**Captive consumption at the Company's Ferroalloys plant**

➢ Infrastructure facilities

Our Registered Office, Corporate Office, Mines Office and Plant location are well equipped with computer systems, internet connectivity, other communication facility, machinery and equipment, security and other facilities which are required for our business operations to function smoothly.

➢ Human Resources

An effective and efficient human resource are a key to the success of any organization and the Company has been well focused in adopting the best standards in the industry which not only gives us the benefit of attracting good talent but gives us an edge towards providing best qualitative services to our customers. Our manpower is a mix of experienced and young talent pool of resources which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our management team have enabled us to successfully implement our growth plans. As on 31 March 2022 the Company has 2288 permanent employees on the rolls and 852 on contracts. Details of unit wise employees is as follows:

Sl. No.	Unit	No. of Employees
1.	Registered office and Corporate office	225
2.	Heritage Hotel	24
3.	Mines	1772
4.	Plant	267

➢ Intellectual Properties

The Company does not own any intellectual properties.

➢ Group Companies

1. Skand Private Limited – Holding Company of the Company
2. Sandur Pellets Private Limited- Wholly Owned Subsidiary Company of the Company.

OUR MANAGEMENT

A) Board of Directors

As per the Articles of Association, the Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. As on the date of this Letter of Offer, we have eight (8) Directors on our Board, which includes, one (1) Managing Director, one (1) Executive Director, two (2) Non-Executive Non-Independent Directors and four (4) Independent Directors, including a woman director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

The detailed composition is as follows:

Sl. No.	Name of the Director	DIN	Age	Designation
1.	Thoniparambil Raghavan Raghunandan	03637265	62 Years	Chairman, Non-Executive Non-Independent Director
2.	Bahirji Ajai Ghorpade	08452844	27 Years	Managing Director
3.	Seshagiri Sattiraju Rao	00150816	74 Years	Non-Executive Independent Director
4.	Gururaj Pandurang Kundargi	02256516	65 Years	Non-Executive Independent Director
5.	Latha Pillai	08378473	62 Years	Non-Executive Independent Director
6.	Hemendra Laxmidas Shah	00996888	68 Years	Non-Executive Non-Independent Director
7.	Jagadish Rao Kote	00521065	65 Years	Non-Executive Independent Director
8.	Mohammed Abdul Saleem	00061497	48 Years	Whole Time Director

Set forth below are details regarding our Board as on the date of this Letter of Offer:

Sl. No.	Particulars	Name of Director
1.	Name of the Director	Thoniparambil Raghavan Raghunandan
	Father's Name	Thoniparambil Chinnan Raghavan
	Residential Address	184/10, White Field, Bangalore-560 066, Karnataka
	Date of Birth	6 October 1959
	Age	62 Years
	Designation	Non-Executive Non-Independent Director
	DIN	03637265
	Occupation	Professional
	Date of Appointment	28 May 2016
	Date of expiration of current term	Liable to retire by rotation
	Directorship in other companies	NIL

Sl. No.	Particulars	Name of Director
2.	Name of the Director	Bahirji Ajai Ghorpade
	Father's Name	Ajai Murar Rao Ghorpade
	Residential Address	Shivapur Palace, House No. 250, Ward No. 1, Palace Road, Near SRS School, Shivapur, Sandur - 583119, Ballari, Karnataka
	Date of Birth	22 May 1995
	Age	27 Years
	Designation	Managing Director
	DIN	08452844

	Occupation	Service / Professional
	Date of Appointment	1 April 2020, the designation changed to Managing Director w.e.f. 17 June 2020
	Date of expiration of current term	For a period of 3 years from 17 June 2020 to 16 June 2023
	Directorship in other companies	Skand Private Limited

Sl. No.	Particulars	Name of Director
3.	Name of the Director	Seshagiri Sattiraju Rao
	Father's Name	Sunderasiva Rao Sattiraju
	Residential Address	E-111, Manyata Residency, 7th Cross (Manyata Tech Park), Outer Ring Road (Near Nagwara Junction), Rachenahalli, Bengaluru – 56005, Karnataka
	Date of Birth	11 November 1947
	Age	74 Years
	Designation	Non-Executive Independent Director
	DIN	00150816
	Occupation	Professional
	Date of Appointment	1 September 2013
	Date of expiration of current term	For a period of 3 years, from 1 April 2019 to 10 November 2022
	Directorship in other companies	1. Barmer Lignite Mining Company Limited
		2. Pranava Green Energy Limited
		3. NCC Infrastructure Holdings Limited
		4. NCC Urban Infrastructure Limited
		5. JSW IP Holdings Private Limited

Sl. No.	Particulars	Name of Director
4.	Name of the Director	Gururaj Pandurang Kundargi
	Father's Name	Pandurang Ramchar Kundargi
	Residential Address	Plot No. 32 MOIL Vatika, Chicholi Road, Fetri, Nagpur 441501 Maharashtra
	Date of Birth	15 August 1956
	Age	65 Years
	Designation	Non-Executive Independent Director
	DIN	02256516
	Occupation	Professional
	Date of Appointment	12 November 2016
	Date of expiration of current term	For a period of 5 years from 12 November 2021 to 11 November 2026
	Directorship in other companies	Nava Limited

Sl. No.	Particulars	Name of Director
5.	Name of the Director	Latha Pillai
	Father's Name	Raman Vasudevan Pillai
	Residential Address	B 204, Salarpuria Sattva Aspire, Hennur Bagalur Road, Bengaluru 562149 Karnataka
	Date of Birth	18 October 1959
	Age	62 Years
	Designation	Non-Executive Independent Director
	DIN	08378473
	Occupation	Professional
	Date of Appointment	8 March 2019
	Date of expiration of current term	For a period of 5 years from 8 March 2019 to 7 March 2024
	Directorship in other companies	NIL

Sl. No.	Particulars	Name of Director
6.	Name of the Director	Hemendra Laxmidas Shah
	Father's Name	Laxmidas Nemchand Shah
	Residential Address	B/3802, Lodha Marquise Tower, Pandurang Bhutkar Marg, Opposite Bombay Dyeing Showroom, Worli, Mumbai 400018, Maharashtra
	Date of Birth	25 November 1953
	Age	68 Years
	Designation	Non-Executive Non-Independent Director
	DIN	00996888
	Occupation	Professional
	Date of Appointment	27 May 2019
	Date of expiration of current term	Liable to retire by rotation
	Directorship in other companies	NIL

Sl. No.	Particulars	Name of Director
7.	Name of the Director	Jagadish Rao Kote
	Father's Name	Parameswara Rao Kote
	Residential Address	Flat 203, Kukke Sri, Plot 30, Nyanappanahalli Begur Hobli, Bengaluru 560068Pl
	Date of Birth	15 May 1957
	Age	65 Years
	Designation	Non-Executive Independent Director
	DIN	00521065
	Occupation	Professional
	Date of Appointment	27 May 2019
	Date of expiration of current term	Tenure is renewed for further period of five years from 27 May 2022 to 26 May 2027 by Board in its meeting dated 18 May 2022 subject to the approval of the members.
	Directorship in other companies	Nil

Sl. No.	Particulars	Name of Director
8.	Name of the Director	Mohammed Abdul Saleem
	Father's Name	Abdul Hye
	Residential Address	Flat No – 3-B, A A Residency, 17 10th Cross, Opp 4th Main Vasanthanagar – 560001, Bengaluru, Karnataka
	Date of Birth	28 April 1974
	Age	48 Years
	Designation	Whole Time Director
	DIN	00061497
	Occupation	Service & Professional
	Date of Appointment	1 April 2020, the designation changed to Whole-time Director, designated as Director Mines w.e.f. 1 April 2020
	Date of expiration of current term	For a period of 3 years from 1 April 2020 to 31 March 2023
	Directorship in other companies	Sandur Pellets Private Limited

Past Directorships in listed companies

a) ***Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure:***

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last five years preceding the date of this Letter of Offer

b) ***Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past five years:***

Except Mohammed Abdul Saleem, none of our Directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last five years preceding the date of this Letter of Offer.

Details of delisted Company is as follows:

Sl. No.	Particulars	Details
1.	Name of the Company	Sandur Laminates Limited
2.	Listed on	BSE Limited
3.	Date of delisting on the stock exchange	13 December 2016
4.	Compulsory or voluntary delisting	Compulsory delisting
5.	Reasons for delisting	Non-Compliant with the provisions of Listing Agreement (at the relevant time, known and executed as "Listing Agreement and presently in the form of Regulations, under SEBI (LODR) Regulations, 2015
6.	If relisted, date of relisting on	Not Applicable
7.	Term (along with relevant dates) of the director in the above company(ies)	Name of the Director: Mohammed Abdul Saleem Term: Original Appointed with effect from 30 April 2007 and resigned on 15 February 2018.

Family Relationships between the Directors
There is no inter-se or family relationship between any of the Directors of the Company.

Arrangements with major Shareholders, Customers, Suppliers or Others
There are no major arrangements with shareholders, customers, suppliers or others.

Service Contracts
Service contracts exist with the whole-time directors which contain their terms and conditions including remuneration, notice period etc., as approved by the members.

Director's association with the Securities Market
None of the Directors of the Company are associated with securities market.

B) Our Key Managerial Personnel

The details of our senior management and the Key Managerial Personnel as on the date of this Letter of Offer are set out below. All the Key Managerial Personnel's are permanent employees of the Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel and senior management.

1. Bahirji A. Ghorpade is the Managing Director of the Company.

2. Mohammed Abdul Saleem is the Whole Time Director designated as Director (Mines) of the Company.

3. Uttam Kumar Bhageria is the Chief Financial Officer and Chief Risk Officer of the Company.

4. Bijan Kumar Dash is the Company Secretary & Compliance Officer of the Company.

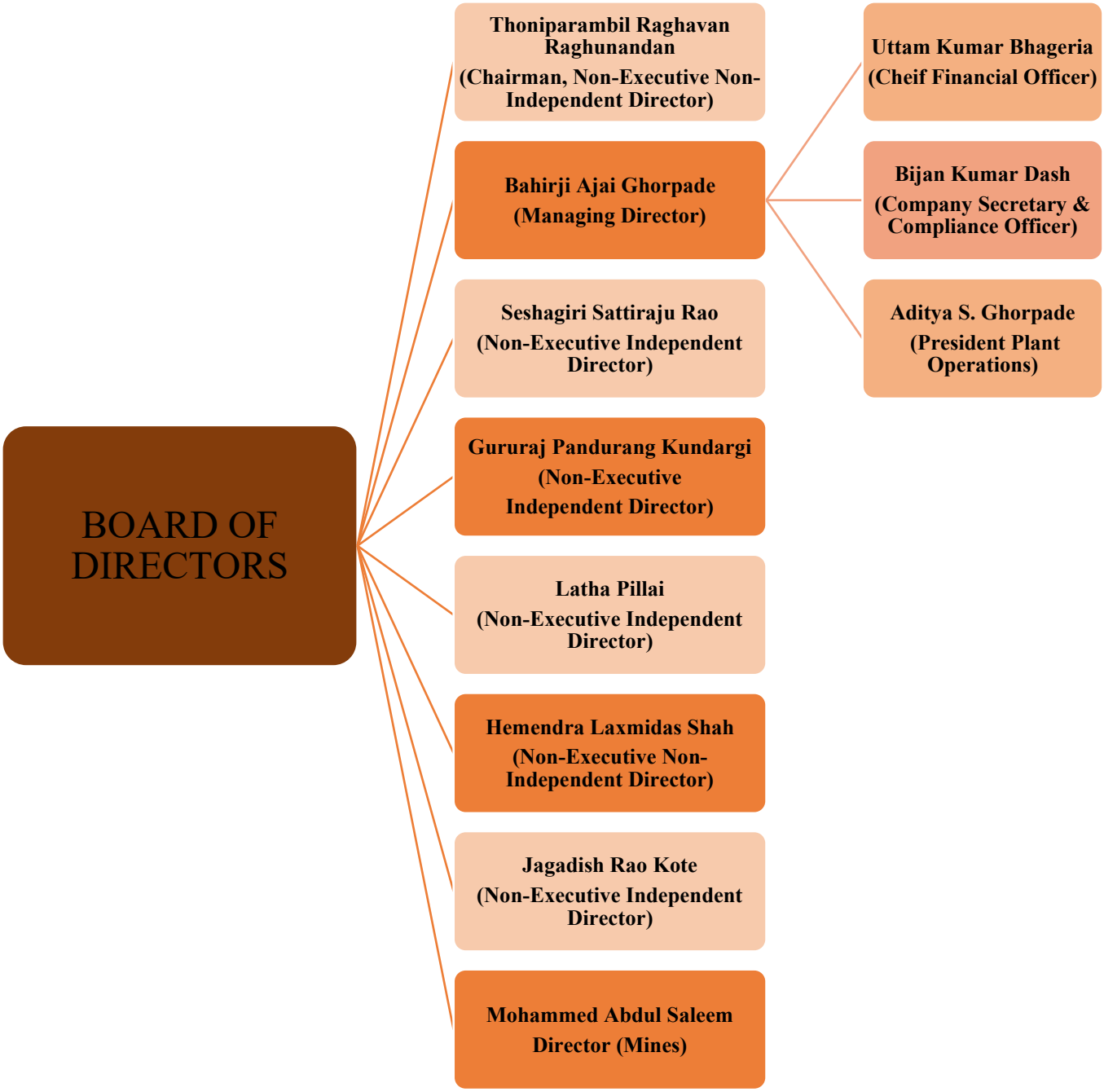
5. Aditya S. Ghorpade is President Plant operations of the Company.

Relationship amongst the Key Managerial Personnel and/or Directors of the Company
There is no relationship between any of the Key Managerial Personnel and/or Directors of the Company

Interests of Key Management Personnel
The Key Management Personnel do not have any interest in the Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of their shareholding in the Company.

C) Current Organizational Structure

Set forth is the Board Hierarchy and organization structure of the Company:


BOARD OF DIRECTORS
Thoniparambil Raghavan Raghunandan
(Chairman, Non-Executive Non-Independent Director)
Bahirji Ajai Ghorpade
(Managing Director)
Uttam Kumar Bhageria
(Cheif Financial Officer)
Bijan Kumar Dash
(Company Secretary & Compliance Officer)
Aditya S. Ghorpade
(President Plant Operations)
Seshagiri Sattiraju Rao
(Non-Executive Independent Director)
Gururaj Pandurang Kundargi
(Non-Executive Independent Director)
Latha Pillai
(Non-Executive Independent Director)
Hemendra Laxmidas Shah
(Non-Executive Non-Independent Director)
Jagadish Rao Kote
(Non-Executive Independent Director)
Mohammed Abdul Saleem
Director (Mines)

Audited Financial Results – 31 March 2022

R.Subramanian and Company LLP
CHARTERED ACCOUNTANTS
FRN : 004137S / S200041
New No:6, Old No.36, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004.
Phone : 24992261 / 24991347 / 24994231, Fax : 24991408
Email : rs@rscompany.co.in Website : www.rscompany.co.in

Auditors' Report on the Annual Financial Results of The Sandur Manganese and Iron Ores Limited pursuant to the Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

To
The Board of Directors
The Sandur Manganese and Iron Ores Limited

Opinion

We have audited the accompanying Financial Results of **The Sandur Manganese and Iron Ores Limited ('the Company')** for the quarter and for the year ended 31 March 2022, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations').

In our opinion and to the best of our information and according to the explanation given to us, the statement:

(i) are presented in accordance with the requirements of the Listing Regulations, in this regard; and
(ii) give a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, and other comprehensive income and other financial information for the quarter ended 31 March 2022 and for the year ended 31 March 2022, respectively.

Basis of Opinion

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

Management's Responsibilities

The Statement has been prepared based on the annual financial results. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133

of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant in the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004. Chartered Accountants

R.Subramanian and Company LLP
Chartered Accountants

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Annual Financial Results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

for **R Subramanian and Company LLP**
Chartered Accountants
Firm Registration No: 004137S/S200041

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004. Chartered Accountants

Gokul S Dixit
Partner
Membership No: 209464
UDIN: 22209464AJEUWP1966
Place: Bangalore
Date: 18 May 2022

The Sandur Manganese & Iron Ores Limited

Registered Office: 'Satyalaya', Door No.266 (Old No80), Ward No.1, Behind Taluka Office Palace Road, Sandur - 583 119, Ballari District
CIN:L85110KA1954PLC000759

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2022

Part I

₹ in lakh

Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for current year ended	Year to date figures for previous year ended
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	(Audited) [Refer note no 4]	(Unaudited)	(Audited) [Refer note no 4]	(Audited)	(Audited)
Statement of Audited/ Unaudited results					
Revenue from operations					
I. Revenue from operations	**71,624**	49,177	35,768	**2,24,874**	74,659
II. Other income	**1,222**	668	590	**3,523**	1,777
III. Total income (I + II)	**72,846**	49,845	36,358	**2,28,397**	76,436
IV. Expenses					
(a) Cost of materials consumed	**31,000**	23,575	10,061	**79,051**	12,114
(b) Changes in inventories of finished and semi-finished goods	**3,839**	(3,988)	(102)	**(922)**	(46)
(c) Employee benefits expense	**3,435**	2,633	2,824	**11,294**	10,193
(d) Finance costs	**895**	927	844	**3,843**	1,306
(e) Depreciation and amortisation expense	**1,857**	1,257	1,108	**5,560**	2,681
(f) Other expenses (Refer note 7 below)	**11,147**	7,878	9,517	**38,039**	25,235
Total expenses	**52,173**	32,282	24,252	**1,36,865**	51,483
V. Profit before tax (III - IV)	**20,673**	17,563	12,106	**91,532**	24,953
VI.Tax expense					
Current tax	**1,491**	5,204	2,455	**22,453**	6,485
Deferred tax	**(4,370)**	1,473	2,560	**1,568**	3,075
Total tax expense	**(2,879)**	6,677	5,015	**24,021**	9,560
VII. Profit for the period/ year (V - VI)	**23,552**	10,886	7,091	**67,511**	15,393
VIII. Other comprehensive income					
A.(i) Items that will not be reclassified to the statement of profit and loss					
(a) Remeasurement of post-employment benefit obligations	**132**	(44)	126	-	(80)
(b) Income tax relating to these items	**(50)**	17	(45)	-	28
B.(i) Items that may be reclassified to the statement of profit and loss					
(a) Cost of hedging - Fair value change	-	-	-	-	(79)
(b) Cost of hedging - reclassification	-	-	-	-	79
IX. Total comprehensive income for the period / year (VII + VIII)	**23,634**	10,859	7,172	**67,511**	15,341
X. Earnings per equity share (of ₹ 10 each) (not annualised)					
Basic and diluted (₹)	**261.63**	120.93	78.77	**749.96**	170.99
See accompanying notes to the financial results					

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The Sandur Manganese and Iron Ores Limited Bangalore

Part II ₹ in lakh

Segment wise revenue, results, assets and liabilities (Primary Segment)					
Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for current year ended	Year to date figures for previous year ended
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
	(Audited) [Refer note no 4]	(Unaudited)	(Audited) [Refer note no 4]	(Audited)	(Audited)
1. Segment revenue					
(a) Mining	**25,461**	15,371	17,975	**88,755**	52,778
(b) Ferroalloys	**14,255**	10,854	5,548	**46,070**	10,940
(c) Coke and energy	**34,745**	26,765	12,807	**1,02,377**	12,851
(d) Unallocable	**21**	51	45	**159**	102
	74,482	53,041	36,375	**2,37,361**	76,671
Less: Inter segment revenue	**2,858**	3,864	607	**12,487**	2,012
Total	**71,624**	49,177	35,768	**2,24,874**	74,659
2. Segment results					
(a) Mining	**12,849**	9,059	9,408	**52,388**	25,824
(b) Ferroalloys	**5,476**	4,556	1,670	**19,606**	1,066
(c) Coke and energy	**4,838**	5,836	3,457	**27,632**	2,669
	23,163	19,451	14,535	**99,626**	29,559
Less: (i) Finance costs	**895**	927	844	**3,843**	1,306
(ii) Other unallocable expenditure/ (income) net of unallocable (income)/ expenditure	**1,595**	961	1,585	**4,251**	3,300
Profit before tax	**20,673**	17,563	12,106	**91,532**	24,953
3. Segment assets					
(a) Mining	**20,005**	23,414	20,045	**20,005**	20,045
(b) Ferroalloys	**20,973**	20,513	16,775	**20,973**	16,775
(c) Coke and energy	**94,171**	80,020	72,360	**94,171**	72,360
(d) Unallocable	**1,35,011**	1,11,578	63,207	**1,35,011**	63,207
Total	**2,70,160**	2,35,525	1,72,387	**2,70,160**	1,72,387
4. Segment liabilities					
(a) Mining	**15,155**	13,340	11,800	**15,155**	11,800
(b) Ferroalloys	**2,132**	3,684	2,590	**2,132**	2,590
(c) Coke and energy	**52,908**	31,678	21,603	**52,908**	21,603
(d) Unallocable	**34,043**	44,535	37,083	**34,043**	37,083
Total	**1,04,238**	93,237	73,076	**1,04,238**	73,076

Notes :

₹ in lakh

1.Statement of assets and liabilities

Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	79,380	75,422
(b) Right-of-use assets	132	443
(c) Capital work-in-progress	4,232	8,225
(d) Investment property	4,849	4,871
(e) Other intangible assets	41	38
(f) Financial assets		
(i) Investments	74	78
(ii) Other financial assets	3,353	915
(g) Deferred tax assets (net)	-	474
(h) Other non-current assets	5,787	7,115
SUB-TOTAL	97,848	97,581
CURRENT ASSETS		
(a) Inventories	31,129	15,698
(b) Financial assets		
(i) Investments	37,527	28,991
(ii) Trade receivables	20,294	7,643
(iii) Cash and cash equivalents	4,116	6,673
(iv) Bank balance other than (iii) above	69,805	6,454
(v) Other financial assets	794	381
(c) Other current assets	8,647	8,966
SUB-TOTAL	1,72,312	74,806
TOTAL ASSETS	2,70,160	1,72,387
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	900	900
(b) Other equity	1,65,022	98,411
SUB-TOTAL	1,65,922	99,311
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	25,233	30,835
(ii) Lease liabilities	23	310
(iii) Other financial liabilities	435	3,646
(b) Provisions	1,304	1,067
(c) Deferred tax liabilities (net)	1,094	-
SUB-TOTAL	28,089	35,858
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	5,603	5,576
(ii) Lease liabilities	118	170
(iii) Trade payables		
(a) Dues of micro and small enterprises	246	-
(b) Dues of other than micro and small enterprises	56,716	22,235
(iv) Other financial liabilities	1,007	1,456
(b) Provisions	63	55
(c) Current tax liabilities (net)	771	157
(d) Other current liabilities	11,625	7,569
SUB-TOTAL	76,149	37,218
TOTAL EQUITY AND LIABILITIES	2,70,160	1,72,387

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₹ in lakh

2. Statement of cash flows

Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
Cash flows from operating activities		
Profit for the year	**91,532**	24,953
Adjustments for:		
Depreciation and amortisation expense	**5,560**	2,681
Gain on sale of property, plant and equipment (net)	**-**	(3)
Assets discarded	**2**	476
Provision for doubtful trade receivables and advances (net)	**26**	687
Finance costs	**3,843**	1,306
Interest income	**(1,279)**	(421)
Dividend income	**(16)**	(128)
Gain on investments classifed as fair value through profit and loss	**(1,657)**	(997)
Rental income	**(46)**	(57)
Reclassification of hedge reserve	**-**	80
Foreign exchange gain (net)	**(166)**	(114)
Operating profit before working capital changes	**97,799**	28,463
Adjustments for (increase)/ decrease in operating assets:		
Other non-current financial assets	**(124)**	76
Other non-current assets	**-**	3
Inventories	**(15,431)**	465
Trade receivables	**(12,649)**	(4,937)
Other current financial assets	**66**	(102)
Other current assets	**292**	611
Adjustments for (increase)/ decrease in operating liabilities:		
Other non-current financial liabilities	**9**	-
Non-current provisions	**173**	270
Trade payables	**34,892**	14,311
Other current financial liabilities	**-**	(80)
Current provisions	**8**	7
Other current liabilities	**4,056**	1,238
Cash generated from operations	**1,09,091**	40,325
Income taxes paid (net)	**(21,785)**	(6,324)
Net cash generated by operating activities	**87,306**	34,001
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	**(7,794)**	(6,010)
Proceeds from sale of property, plant and equipment	**1**	7
Receipt of Government grant	**200**	-
Deposits with banks and financial institutions (placed)/ matured (net)	**(65,666)**	2,869
(Purchase)/ sale of investments (net)	**(6,875)**	(22,357)
Interest received	**799**	380
Rental income	**46**	57
Dividends received	**16**	128
Net cash used in generated from investing activities	**(79,273)**	(24,926)
Cash flows from financing activities		
(Repayment)/ proceeds from borrowings (net)	**(5,714)**	3,289
Proceeds from short-term borrowings (net)	**-**	(6,865)
Finance costs	**(3,609)**	(1,228)
Dividends paid	**(897)**	(434)
Payment of principal portion of lease liabilities	**(338)**	(510)
Payment of interest portion on lease liabilities	**(32)**	(78)
Net cash used in financing activities	**(10,590)**	(5,826)
Net increase in cash and cash equivalents	**(2,557)**	3,249
Cash and cash equivalents at the beginning of the year	**6,673**	3,423
Cash and cash equivalents at the end of the year	**4,116**	6,673
Details of Cash and cash equivalents		
Balances with banks		
(i) In current accounts	3,513	6,668
(ii) Fixed deposits with maturity of less than 3 months	600	-
Cash on hand	3	5
Cash and cash equivalents at the end of the year	4,116	6,673

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The Sandur Manganese and Iron Ores Limited Bangalore

Notes :

3. The above statement of financial results for the quarter and year ended 31 March 2022 was reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 18 May 2022.

4. The figures for the three months ended on 31 March 2022 and 31 March 2021 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter.

5. These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Listing Regulations, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016.

6. Pursuant to the Taxation Laws (Amendment), Act 2019 effective from 20 September 2019 Indian domestic companies have the option to apply a lower income tax rate with effect from 1 April 2020 subject to certain conditions specified therein. During the financial year 2021-22, the Company has exercised the option of adopting the lower income tax rate under section 115BAA and has remeasured provision for income tax and deferred tax balances for the quarter and year ended 31 March 2022.

7. The break up of other expenses (refer IV (f) of Statement of Audited Financial Results) is as below:

₹ in lakh

Particulars	Three months ended	Preceding three months ended	Corresponding three months ended in the previous year	Year to date figures for current year ended	Year to date figures for previous year ended
	31.03.2022 (Audited) [Refer note no 4]	31.12.2021 (Unaudited)	31.03.2021 (Audited) [Refer note no 4]	31.03.2022 (Audited)	31.03.2021 (Audited)
(a) Mine running expenses	2,166	1,865	1,582	8,125	5,663
(b) Freight, loading and siding charges	1,143	880	1,135	3,799	3,251
(c) Rates and taxes	4,506	2,505	2,708	15,010	8,523
(d) Other expenses	3,332	2,628	4,092	11,105	7,798
Total	**11,147**	**7,878**	**9,517**	**38,039**	**25,235**

8. The Board of Directors at the meeting held on 18 May 2022 has recommended a final dividend of ₹ 5.00 per equity share of ₹ 10/- each for the financial year 2021 - 22. The same is subject to shareholders approval in the ensuing Annual General Meeting.

9. The figures of the previous periods/ year have been regrouped / reclassified where necessary.

for and on behalf of the Board of Directors

Bahirji. A. Ghorpade

BAHIRJI A. GHORPADE
Managing Director

Bengaluru
18 May 2022

R.SUBRAMANIAN AND COMPANY LLP Chennai 600 004. Chartered Accountants

The Sandur Manganese and Iron Ores Limited Bangalore

Audited Financial Statements – 31 March 2021

Independent Auditor's Report

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

OPINION

We have audited the financial statements of **The Sandur Manganese & Iron Ores Limited** ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, including the statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act , 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements, as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter (KAM)	Response to Key Audit Matter and Conclusion
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We involved our internal experts to analysis the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as of April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.

Independent Auditor's Report

Key Audit Matter (KAM)	Response to Key Audit Matter and Conclusion
Capitalization of Property, Plant and Equipment, Capital Work-in-process and related Depreciation and Amortization As on March 31, 2021, the company carries Property, Plant, and Equipment (PPE) balances of ₹ 75,422.33 lakhs and during the financial year 2020-21 company has capitalized ₹ 53,288.17 worth of PPE. We considered the amount of PPE and Capital Work-in-process balance as a key audit matter given the relative size of the balance in the financial statements	**Principal Audit Procedures** Our audit procedures included and were not limited to the following: • Assessing the nature of the costs incurred for the new Coke plant and Ferro alloy plant to test whether such costs are incurred specifically for trial runs and meet the recognition criteria as set out in para 16 to 22 of Ind AS 16. • Evaluating the assessment provided by third party vendors involved in the construction and testing process to determine whether capitalization ceased when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management. • Testing the design, implementation, and operating effectiveness of controls in respect of review of Capital Work-in-process, particularly in respect of timing of the capitalization. Substantive testing procedures including, testing necessary authorizations for capitalization of items of PPE, testing supporting documentation for consumption of capital goods inventory, comparison of actual pattern of consumption of benefits for current year with the budget and testing the mathematical accuracy of computation of amortization / depreciation charge for the year.
Segment Reporting Commercial operations of new 0.4 MTPA coke oven plant, new 24 MVA ferro alloy furnace and refurbished 20 MVA ferro alloy furnace are commenced from January 18, 2021. After commencement of commercial production, Company's management has changed its review of company's operation to make decisions about resources allocation to the segment and assess its performance. Pursuant to this change, segment reporting has also changed from its previously reported. Segment and accordingly previous year reported segments are reclassified as below. **Segment reported in previous year** / **Segment reported in Current year** Mining / Mining Ferroalloys and Energy / **Ferroalloys** / **Coke and Energy** Unallocable / Unallocable	**Principal Audit Procedures** • We understood, assessed and tested the design and operating effectiveness of key controls surrounding identification of Segments. • We discussed with management the recent changes in review of its operation to make decisions about resources allocation to the segment and assess its performance. • We performed our assessment on a test basis on the underlying calculations supporting the segment reporting disclosed in the Financial Statements. • We assessed the adequacy of the Company's disclosures. Based on the above work performed, the assessment in respect of segment reporting in the Financial Statements is considered to be reasonable

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Independent Auditor's Report

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company {or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

for **R Subramanian and Company LLP**
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: June 28, 2021

Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory requirements' section of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2021.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to the Ind AS financial statements of **The Sandur Manganese & Iron Ores Limited** ("the Company") as of March 31,2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is primarily responsible for establishing and maintaining internal financial controls with reference to the Ind AS financial statements. These responsibilities include the design, implementation and maintenance of internal financial controls with reference to the Ind AS financial statements that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's existence and operating efficiency of internal financial controls systems with reference to the Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With Reference to Ind AS Financial Statements (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to the Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about existence of the internal financial controls with reference to the Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of the internal financial controls with reference to the Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

A Company's internal financial controls with reference to the Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. A company's internal financial controls with reference to the Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un authorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE OVER FINANCIAL REPORTING WITH REFERENCE TO THESE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to the Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

projections of any evaluation of the internal financial controls with reference to the Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to the Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, there exists an adequate internal financial controls with reference to the Ind AS financial statements and such internal financial controls with reference to the Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal financial controls with reference to the Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

for **R Subramanian and Company LLP**
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: June 28, 2021

Annexure-B to the Independent Auditors' Report

Referred to in paragraph (2) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the company for the year ended March 31, 2021.

1. a) The Company has maintained proper records showing full particulars, including quantitative details and Situation of fixed assets.

   b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all immovable properties of land and building, which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable properties of land and buildings that have been taken on lease and disclosed as fixed asst in the financial statements.

2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3. As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, reporting under clause 3(iii)(a) to (c) of the Order are not applicable to the Company.

4. The Company has not granted any loans, made investments, or provided guarantees and hence reporting under clause 3(iv) of the order is not applicable.

5. According to the information and explanations given to us, the Company has not accepted any deposits from the public and does not have any unclaimed deposits. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.

6. The Maintenance of cost records have been specified by the central government under section 148(1) of The Companies Act 2013. We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Section 148(1) of the Companies Act 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us and based on examination of the records of the Company, in respect of statutory dues:

   a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues with the appropriate authorities.

   b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

c) Details of dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Goods and Service Tax which have not been deposited as on 31st March 2020 on

Name of Statute	Nature of Dues	Amount (₹ Lakh)	Period to which the amounts relates	Forum where dispute is pending
Income Tax Act,1961	Income tax including Interest	427.79*	2010-11 to 2011-12	Income Tax Appellate Tribunal
		2159.35**	2012-13,2013-14 ,2015-16 and 2016-17	Commissioner of Income Tax (Appeals)
		504.44	2017-18	Commissioner of Income Tax (Appeals)##
Customs Act,1952	Customs duty Including Interest	393.13***	1986-2021	Hon'ble High Court of Andhra Pradesh
The Central Excise Act, 1944	Service Tax Including Interest	293.34	April 2005 to September 2007	Hon'ble Supreme Court of India
Service Tax	Service Tax on Royalty	570.16#	April 2016 to June 2017	Hon'ble High Court of Karnataka

*Net of ₹ 182 lakhs Paid under protest. ** Net of ₹ 556.50 lakhs Paid under protest.

*** Net of ₹ 42.22 lakhs Paid under protest # excluding Interest and Net of ₹ 100 lakhs Paid under protest.

company is in the process of filing Appeals.

8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Hence reporting under clause 3(viii) of the Order are not applicable to the Company. Accordingly, paragraph 3 (viii) of the order is not applicable.

9. To the best of our knowledge and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence, the provisions of clause 3(ix) of the Order are not applicable to the Company.

10. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act 2013;

12. The Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and details of such transactions have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

for **R Subramanian and Company LLP**
Chartered Accountants
Firm Regn.No004137S/S200041

Gokul Dixit
Partner
M. No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: June 28, 2021

Balance Sheet

as at 31 March 2021

₹ in Lakh

Particulars		Note No.	As at 31 March 2021	As at 31 March 2020
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, plant and equipment	2	75,422.33	24,719.63
	(b) Capital work-in-progress		8,225.27	55,718.73
	(c) Investment property	3	4,871.32	4,895.32
	(d) Other intangible assets	4	37.82	110.59
	(e) Right to use asset	5	443.05	914.78
	(f) Financial assets			
	(i) Investments	6	77.45	43.65
	(ii) Other financial assets	7	915.00	976.52
	(g) Deferred tax assets (net)	8	474.00	3,549.37
	(h) Other non-current assets	9	7,118.78	7,465.70
	SUB-TOTAL		**97,585.02**	**98,394.29**
2	**CURRENT ASSETS**			
	(a) Inventories	10	15,698.04	16,162.90
	(b) Financial assets			
	(i) Investments	6	28,991.16	5,670.34
	(ii) Trade receivables	11	7,556.89	3,080.14
	(iii) Cash and cash equivalents	12	6,672.51	3,422.90
	(iv) Other bank balances	12	6,453.97	9,337.57
	(v) Other financial assets	7	380.94	238.13
	(c) Other current assets	9	9,052.19	9,890.32
	SUB-TOTAL		**74,805.70**	**47,802.30**
	TOTAL ASSETS		**1,72,390.72**	**1,46,196.59**
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity share capital	13	900.19	900.19
	(b) Other equity	13 (b)	98,410.68	83,069.43
	SUB-TOTAL		**99,310.87**	**83,969.62**
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Borrowings	14	30,697.36	33,122.41
	(ii) Other financial liabilities	15	3,955.80	576.10
	(b) Provisions	16	1,066.86	797.13
	SUB-TOTAL		**35,720.02**	**34,495.64**

Balance sheet [Contd.]

as at 31 March 2021

₹ in Lakh

Particulars		Note No.	As at 31 March 2021	As at 31 March 2020
3	**CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Borrowings	14	-	6,864.82
	(ii) Trade payables			
	(a) Dues to micro small and medium enterprises			
	(b) Dues to other than micro small and medium enterprises	17	18,628.85	8,040.84
	(iii) Other financial liabilities	15	10,950.15	6,525.71
	(b) Provisions	16	54.84	47.37
	(c) Current tax liabilities (Net)	18	157.37	-
	(d) Other current liabilities	19	7,568.62	6,252.58
	SUB-TOTAL		**37,359.83**	**27,731.32**
	TOTAL EQUITY AND LIABILITIES		**1,72,390.72**	**1,46,196.59**

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For **R Subramanian and Company LLP**
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: 28 June 2021

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bijan Kumar Dash
Company Secretary

Bahirji A. Ghorpade
Managing Director

Sachin Sanu
Chief Financial Officer

Statement of Profit and Loss

for the year ended 31 March 2021

₹ in Lakh

Particulars			Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I		Revenue from operations	20	74,658.89	59,160.69
II		Other Income	21	1,776.83	566.13
III		**Total revenue (I + II)**		**76,435.72**	**59,726.82**
IV		**Expenses**			
	(a)	Cost of materials consumed	22(a)	12,113.94	6,858.46
	(b)	Changes in stock of finished goods, work-in-progress and stock-in-trade	22(b)	(45.61)	(1,849.09)
	(c)	Employee benefit expense	23	10,193.03	9,176.88
	(d)	Finance costs	24	1,306.29	672.60
	(e)	Depreciation and amortisation expense	25	2,681.42	1,946.65
	(f)	Other expenses	26	25,233.52	25,441.44
V		**Total expenses**		**51,482.59**	**42,246.94**
VI		**Profit before tax (III - IV)**		**24,953.13**	**17,479.88**
VII		**Tax expense**			
	(1)	Current tax		6,485.00	3,793.35
	(2)	Deferred tax		2,528.00	(552.00)
	(3)	MAT credit (Deferred tax)		547.37	(500.00)
		Total tax expense		**9,560.37**	**2,741.35**
VIII		**Profit after tax for the period (VI-VII)**		**15,392.76**	**14,738.53**
IX		**Other comprehensive income**			
		Items that will not be reclassified to the statement of profit and loss			
	(i)	Remeasurement of post-employment benefit obligations		(79.51)	(89.10)
	(ii)	Income tax relating to these items		28.00	30.65
		Items that may be reclassified to the statement of profit and loss			
	(i)	Cost of hedging - Fair value change		(79.50)	70.08
	(ii)	Cost of hedging - Reclassification		79.50	-
	(iii)	Income tax relating to these items		-	(24.00)
X		**Total comprehensive income (net of tax) for the period**		**15,341.25**	**14,726.16**
XI		**Earnings per equity share of ₹ 10:**			
	(1)	Basic	28	170.99	163.73
	(2)	Diluted	28	170.99	163.73

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For **R Subramanian and Company LLP**
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: 28 June 2021

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bahirji A. Ghorpade
Managing Director

Bijan Kumar Dash
Company Secretary

Sachin Sanu
Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Opening Balance	900.19	900.19
Closing Balance	900.19	900.19

(B) OTHER EQUITY

₹ in Lakh

Particulars	Reserves and surplus					Items of other comprehensive income		Total other equity
	Capital redemption reserve	Securities premium reserve	General reserve	Amalgamation adjustment deficit account	Retained earnings	Remeasurement of post-employment benefit obligations (net of tax)	Cost of hedging (net of tax)	
Balance As at 1 April 2019	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**59,020.93**	**(142.04)**	**(46.08)**	**69,504.93**
Ind As 116 transitional adjustment	-	-	-	-	(54.06)	-	-	(54.06)
Profit / (loss) for the year	-	-	-	-	14,738.53	(58.45)	46.08	14,726.16
Dividend paid on equity shares (refer note 13(b))	-	-	-	-	(918.75)	-	-	(918.75)
Dividend distribution tax (refer note 13 (b))	-	-	-	-	(188.85)	-	-	(188.85)
As at 31 March 2020	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**72,597.80**	**(200.49)**	**-**	**83,069.43**
Profit / (loss) for the year	-	-	-	-	15,392.76	(51.51)	-	15,341.25
As at 31 March 2021	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**87,990.56**	**(252.01)**	**-**	**98,410.68**

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For **R Subramanian and Company LLP**
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: 28 June 2021

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bijan Kumar Dash
Company Secretary

Bahirji A. Ghorpade
Managing Director

Sachin Sanu
Chief Financial Officer

Statement of Cash Flows

for the year ended 31 March 2021

₹ in Lakh

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Cash flows from operating activities		
Profit before tax for the year	24,953.13	17,479.88
Adjustments for:		
Depreciation and amortisation expense	2,681.42	1,946.65
Gain on disposal of property, plant and equipment	(2.71)	(0.82)
Capital work in progress written off/ Assets discarded	475.52	41.25
Finance costs	1,306.29	672.60
Interest income	(305.17)	(620.60)
Dividend income	(162.25)	(151.57)
Gain on investments carried at fair value	(963.39)	335.91
Rental income from investment properties	(57.03)	(59.05)
Impairment of goodwill	-	149.99
Reclassification of hedge reserve	79.50	70.08
Net foreign exchange (gain)/loss	(109.19)	490.34
Operating profit before working capital changes	27,896.12	20,354.66
Adjustments for (increase)/ decrease in operating assets:		
Other non-current financial assets	76.14	(126.51)
Other non-current assets	2.65	-
Inventories	464.86	(9,683.62)
Trade receivables	(4,476.75)	(988.59)
Other current financial assets	(102.15)	121.90
Other current assets	838.13	(6,604.93)
Adjustments for (increase)/ decrease in operating liabilities:		
Other non-current financial liabilities	3,609.75	7.50
Non-current provisions	269.73	200.75
Trade payables	10,701.59	97.92
Other current financial liabilities	(513.41)	443.14
Current provisions	7.47	(11.57)
Other current liabilities	1,236.53	14.87
Cash generated from operations	40,010.67	3,825.52
Income taxes paid	(6,327.63)	(5,155.57)
Net cash generated by operating activities	**33,683.03**	**(1,330.05)**

Statement of Cash Flows [Contd.]

for the year ended 31 March 2021

₹ in Lakh

Particulars	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Cash flows from investing activities		
Additions to property, plant and equipment, intangible assets (including capital work-in-progress and capital advances)	(6,010.53)	(32,124.74)
Proceeds from sale of property, plant and equipment	7.18	0.84
Bank balances not considered as cash and cash equivalents	2,868.98	(6,192.42)
(Purchase)/ sale of investments (net)	(22,391.23)	440.82
Interest received	264.51	627.90
Rental income from investment properties	57.03	59.05
Dividends received	162.25	151.57
Net cash (used in)/generated by investing activities	**(25,041.81)**	**(37,036.98)**
Cash flows from financing activities		
Proceeds from long term borrowings	3,289.24	33,122.41
Proceeds from short term borrowings	(6,864.82)	6,864.82
Finance costs	(1,306.29)	(672.60)
Dividends paid	-	(918.75)
Lease liability paid	(509.74)	(439.11)
Tax on dividends	-	(188.85)
Net cash used in financing activities	**(5,391.61)**	**37,767.92**
Net increase in cash and cash equivalents	**3,249.61**	**(599.11)**
Cash and cash equivalents at the beginning of the year	3,422.90	4,022.01
Cash and cash equivalents at the end of the year	**6,672.51**	**3,422.90**
Details of the Cash and Cash Equivalents		
Balances with banks		
(i) in current accounts	6,667.52	1,541.84
(ii) in deposits with maturity less than 3 months	-	1,877.70
Cash on hand	4.99	3.36
Cash and cash equivalents at the end of the year	**6,672.51**	**3,422.90**

The accompanying notes 1 to 42 are an integral part of the financial statements

In terms of our report attached
For **R Subramanian and Company LLP**
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: 28 June 2021

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bijan Kumar Dash
Company Secretary

Bahirji A. Ghorpade
Managing Director

Sachin Sanu
Chief Financial Officer

Notes to the Financial Statements

for the year ended 31 March 2021

1. CORPORATE INFORMATION

The Company is engaged in mining of manganese and iron ores in Deogiri village of Sandur taluk, Bellary District, Karnataka. The Company is also engaged in the manufacture of ferroalloys & coke located at Vyasanakere, Hospet. The Company is a public limited company incorporated and domiciled in India. The Company has its Registered Office at 'Satyalaya', Door No. 266 (old No.80), Behind Taluka Office, Ward No.1, Palace Road, Sandur 583 119, Bellary District, Karnataka and its Corporate Office at No. 9, Sandur House, Ballari Road, Sadashivnagar Bangalore 560 080.

1.1 Significant accounting policies

(i) Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time

(ii) Basis of preparation of the financial statements

These financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. This financial statements comply in all material aspects with Ind AS notified under section 133 of the Companies Act, 2013 (the Act) (to the extent notified) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. All assets and liabilities are classified into current and non current based on the operating cycle of less than twelve months all based on the criteria of realisation / settlement within twelve month period from the balance sheet date.

Accounting policies have been consistently applied except where a new accounting standard is initially adopted or revision to an existing accounting standard, requires a change in the accounting policy hitherto in use.

1.2 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates. Estimates and assumptions are reviewed on a periodic basis. Appropriate changes in estimates are made when the management of the Company becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Ores:

Revenue from sale of ores is recognised on completion of e-auction and receipt of money from the customer. In case of sale of sub-grade ores the revenue from sale of ores is recognised on despatch of goods to customers from plant or stock points as applicable when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Ferro alloys & Coke:

Revenue from sale of goods is recognised on dispatch of ferro alloys & coke to customers from plant, when significant risks and rewards of ownership are considered to be transferred and realisation is reasonably assured.

Energy:

Revenue from sale of energy is recognised on accrual basis based on the energy generated and supplied as per applicable rates from time to time and includes unbilled revenue accrued up to the end of the accounting year.

1.3.1 Rendering of services:

In case of service income, revenue is recognised when the service is rendered to the customer.

1.4 Dividend and interest income

Dividend income from investments is recognised when the Company's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective

interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

1.5 Leases

Policy before April 1, 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Policy applicable after April 1,2019

"The Company has adopted Ind AS 116 effective from April 1 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information,management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31 2020. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset."

As a lessee, the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of- use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in substance fixed payments. The lease liability is measured at amortised cost using the effective interest method.

The Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate.The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straightline basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.6 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the respective transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

1.6.1 Functional Currency

The financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. Functional currency of an entity is the currency of the primary economic environment in which the entity operates.

1.7 Employee benefits

1.7.1 Retirement benefit costs and termination benefits

Employee benefits include provident fund, employee state insurance scheme, pension, gratuity, superannuation and compensated absences.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.7.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision.

1.8.2 Minimum alternate tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence hat the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

1.8.3 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable

profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

1.8.4 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.9 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets at head office and mines (including assets transferred to plant from these locations other than freehold land and properties under construction) less their residual values over their useful lives, using The Company's assets are depreciated on the written down value method and at plant (including assets transferred to other locations from plant) are depreciated on the straight line method over the useful life and in manner prescribed in Schedule II to the 2013 Act. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Items such as spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment under Ind AS 16. i.e., Property, plant and equipment are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

(b) are expected to be used during more than one period.

If the above said definition is not met, they are classified as inventories in accordance with Ind AS 2 Inventories."

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.10 Investment property

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.11 Intangible assets

1.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

1.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible

asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.11.3 Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Software Licenses : 5 years

1.12 Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including all levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Cost is determined as follows:

Stores, spares and consumables	Monthly weighted average rates
Raw materials	Monthly weighted average rates
Work in progress & finished goods	Full absorption costing method based on annual cost of production

1.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The financial obligation towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

1.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.15. Earnings per share

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

1.16. Segment accounting:

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). The Company has identified business segment as its primary segment with secondary information reported geographically.

The Company's primary segments consist of Mining, Ferroalloys, Coke & energy.

Unallocable represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

1.17 Operating cycle

As mentioned in para 1 above under 'Corporate information', the Company based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, has determined its operating cycle as one year. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

1.18. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.19. Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of

the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received net of direct issue cost.

Hedge accounting

The Company designates currency options and futures contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cost of hedging.

The Company separates the intrinsic value and time value of an option and designates as hedging instruments only the change in intrinsic value of the option. The change in fair value of the time value and intrinsic value of an option is recognised in the statement of other comprehensive income and accounted as a separate component of equity. Such amounts are reclassified into the statement of profit and loss when the related hedged items affect profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in statement of profit and loss when the forecasted transaction ultimately affects the profit or loss.

1.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which

Notes to the Financial Statements

are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the year in which they are incurred

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing Cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

NOTE NO. 2 - PROPERTY, PLANT AND EQUIPMENT

₹ in Lakh

Description of Assets	Land - Freehold	Buildings - Freehold	Plant and Equipment - Freehold	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Owned assets							
As at 1 April 2020	7,676.49	4,556.39	14,200.59	614.61	687.57	1,181.26	28,916.91
Additions	136.32	3,941.84	48,755.59	239.63	42.00	172.79	53,288.17
Disposals/ adjustments	8.34	-	806.84	2.60	-	25.56	843.34
Balance as at 31 March 2021	**7,804.47**	**8,498.23**	**62,149.34**	**851.64**	**729.57**	**1,328.49**	**81,361.74**
II. Accumulated depreciation and impairment							
As at 1 April 2020	-	452.56	2,513.99	301.65	190.72	738.26	4,197.18
Depreciation expense for the year		415.62	1,254.15	140.32	136.32	153.88	2,100.29
Eliminated on disposal of assets		-	331.32	2.46	-	24.28	358.06
Balance as at 31 March 2021	**-**	**868.18**	**3,436.82**	**439.51**	**327.04**	**867.86**	**5,939.41**
III. Net carrying amount (I-II)	**7,804.47**	**7,630.05**	**58,712.52**	**412.13**	**402.53**	**460.63**	**75,422.33**
I. Gross Carrying Amount							
Balance as at 1 April 2019	5,485.68	2,863.02	13,609.93	444.43	313.86	1,097.77	23,814.69
Additions	2,190.81	1,754.52	646.26	242.77	380.61	90.57	5,305.54
Disposals/ adjustments	-	61.15	55.60	72.59	6.90	7.08	203.32
Balance as at 31 March 2020	**7,676.49**	**4,556.39**	**14,200.59**	**614.61**	**687.57**	**1,181.26**	**28,916.91**
II. Accumulated depreciation and impairment							
Balance as at 1 April 2019	-	243.03	1,882.94	213.44	117.90	553.50	3,010.81
Depreciation expense for the year	-	237.08	683.30	157.78	78.81	191.45	1,348.42
Eliminated on disposal of assets	-	27.55	52.25	69.57	5.99	6.69	162.05
Balance as at 31 March 2020	**-**	**452.56**	**2,513.99**	**301.65**	**190.72**	**738.26**	**4,197.18**
III. Net carrying amount (I-II)	**7,676.49**	**4,103.83**	**11,686.60**	**312.96**	**496.85**	**443.00**	**24,719.63**

Notes:

1. For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statement.

2. Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 14 on "Borrowings".

Notes to the Financial Statements

NOTE NO. 3 - INVESTMENT PROPERTY

₹ in Lakh

Description of Assets	Land	Buildings	Total
I. Gross Carrying Amount			
Balance as at 1 April 2020	4,401.71	604.90	5,006.61
Addition		-	-
Disposals	-	-	-
Balance as at 31 March 2021	**4,401.71**	**604.90**	**5,006.61**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2020	-	111.29	111.29
Addition	-	24.00	24.00
Disposals	-	-	-
Balance as at 31 March 2021	**-**	**135.29**	**135.29**
III. Net carrying amount (I-II)	**4,401.71**	**469.61**	**4,871.32**
I. Gross Carrying Amount			
Balance as at 1 April 2019	4,401.71	604.90	5,006.61
Addition	-	-	-
Disposals	-	-	-
Balance as at 31 March 2020	**4,401.71**	**604.90**	**5,006.61**
II. Accumulated depreciation and impairment			
Balance as at 1 April 2019	-	85.99	85.99
Addition	-	25.30	25.30
Disposals	-	-	-
Balance as at 31 March 2020	**-**	**111.29**	**111.29**
III. Net carrying amount (I-II)	**4,401.71**	**493.61**	**4,895.32**

1. The Company's investment properties consist of one commercial & one residential properties in India. Management determined that the investment properties consist of two classes of assets – commercial and residential– based on the nature, characteristics and risks of each property.

2. For depreciation methods used and the useful lives or the depreciation refer note 1.9 of financial statement.

3. All of the Company's investment property are held free hold interest except for Certain investment property are pledged as collateral against borrowings, the details related to which have been described in Note 14 on "Borrowings".

4. Fair market value investment property have been arrived at on the basis of valuations carried out by the Company internally on the basis of market value and the details are as below.

₹ in Lakh

Particulars	31-Mar-21	31-Mar-20
Land	7,131.38	7,131.38
Buildings	740.61	763.52
Total	**7,871.99**	**7,894.90**

5. The company has no restrictions on the realis ability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

6. Amounts recognised in profit or loss for Investment property

₹ in Lakh

Particulars	31-Mar-21	31-Mar-20
Rental income	57.03	59.05
Direct operating expenses related to investment property	-	-
Depreciation	24.00	25.30

NOTE NO. 4 - OTHER INTANGIBLE ASSETS

₹ in Lakh

Description of Assets	Computer software	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	430.98	430.98
Additions	12.65	12.65
Disposals	0.36	0.36
Balance as at 31 March 2021	**443.27**	**443.27**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	320.39	320.39
Amortisation expense for the year	85.40	85.40
Eliminated on disposal of assets	0.34	0.34
Balance as at 31 March 2021	**405.45**	**405.45**
III. Net carrying amount (I-II)	**37.82**	**37.82**
I. Gross Carrying Amount		
Balance as at 1 April 2019	351.37	351.37
Additions	79.61	79.61
Disposals	-	-
Balance as at 31 March 2020	430.98	430.98
II. Accumulated depreciation and impairment		
Balance as at 1 April 2019	206.53	206.53
Amortisation expense for the year	113.86	113.86
Eliminated on disposal of assets	-	-
Balance as at 31 March 2020	320.39	320.39
III. Net carrying amount (I-II)	**110.59**	**110.59**

Notes:

1. For depreciation methods used and the useful lives or the depreciation refer note 1.11.3 of financial statement.

NOTE NO. 5 - RIGHT TO USE ASSET

₹ in Lakh

Description of Assets	Vehicles	Total
I. Gross Carrying Amount		
Balance as at 1 April 2020	1,374.65	1,374.65
Change in accounting Policy	-	-
Addition	-	-
Disposals	-	-
Balance as at 31 March 2021	**1,374.65**	**1,374.65**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2020	459.87	459.87
Addition	471.73	471.73
Disposals	-	-
Balance as at 31 March 2021	**931.60**	**931.60**

Notes to the Financial Statements

₹ in Lakh

Description of Assets	Vehicles	Total
III. Net carrying amount (I-II)	**443.05**	**443.05**
I. Gross Carrying Amount		
Balance as at 1 April 2019	-	-
Change in accounting Policy	1,628.86	1,628.86
Addition	182.85	182.85
Disposals	-	-
Balance as at 31 March 2020	**1,811.71**	**1,811.71**
II. Accumulated depreciation and impairment		
Balance as at 1 April 2019	-	-
Change in accounting Policy	437.86	437.86
Addition	459.07	459.07
Disposals	-	-
Balance as at 31 March 2020	**896.93**	**896.93**
III. Net carrying amount (I-II)	**914.78**	**914.78**

1. The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the statement of profit and loss.

NOTE NO. 6 - INVESTMENTS

₹ in Lakh

Particulars	As at 31 March 2021			As at 31 March 2020		
	QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current
I. Quoted investments in equity instruments						
HDFC Bank Limited	5,000	-	77.45	2,500	-	43.65
Equity shares of ₹ 2 each fully paid up						
Total quoted investments		**-**	**77.45**		**-**	**43.65**
Investments in Mutual Funds						
Quoted						
PGIM India Credit Risk-Regular Plan-Growth	22,61,932	332.58	-	53,82,349	749.06	-
Franklin India Dynamic Accrual Fund-Growth Scheme	6,39,913	451.62	-	10,60,086	709.84	-
IDFC Credit Risk - Regular Plan-Growth	28,74,720	374.15	-	28,74,720	354.70	-
SBI Credit Risk-Regular Plan-Growth	53,67,170	1,786.41	-	22,74,863	721.26	-
UTI Credit Risk-Regular Plan-Growth	33,53,544	19.04	-	33,53,544	53.47	-
Nippon India Strategic Debt Fund-Regular Plan-Growth-(Refer note 27 (i)(b))	44,13,710	473.61	-	44,13,710	467.22	-

₹ in Lakh

Particulars	As at 31 March 2021			As at 31 March 2020		
	QTY	Amount		QTY	Amount	
		Current	Non Current		Current	Non Current
Franklin India Credit Risk -(G)	18,62,010	385.39	-	24,88,147	465.21	-
ICICI Prudential Balanced Advantage-G	13,83,892	612.23	-	13,83,892	423.06	-
Nippon India Balanced Advantage-G	5,40,604	591.39	-	5,40,604	425.04	-
Aditya Birla Sun Life Credit Risk	38,72,637	609.10	-	38,72,637	559.98	-
Kotak Savings Fund	45,27,480	1,527.15	-	-	-	-
HDFC Ultra Short Term Fund	2,23,51,630	2,647.82	-	-	-	-
IDFC Arbitrage Regular-G	59,73,884	1,521.87	-	-	-	-
Aditya Birla Sun Life Low Duration Fund	5,92,731	3,057.16	-	-	-	-
Axis Ultra Short Term Fund	1,91,35,577	2,237.73	-	-	-	-
ICICI Prudential Ultra Short Term -G	1,42,28,748	3,068.61	-	-	-	-
Tata Ultra Short Term Fund	1,34,09,275	1,510.66				
Axis Short Term Fund-G	42,40,289	1,013.15				
DSP Low Duration Fund-Reg-G	32,50,792	504.69				
DSP Ultra Short Fund-Reg-G	18,633	504.25				
PGIM India Ultra Short Term Fund	1,30,00,372	3,517.03				
UTI Ultra Short Term Fund	46,166	1,504.52				
		28,250.16	**-**		**4,928.84**	**-**
Unquoted						
Arthaveda Star Fund - Unit of ₹ 1,000 each	23,413	267.50	-	23,413	268.35	-
Edelweiss Stressed & Troubled assets revival Fund	1,000	31.94	-	1,000	48.14	-
Indiabulls High Yield Fund	40,00,000	441.56	-	40,00,000	425.01	-
		741.00			741.50	
Total investments carrying value		**28,991.16**	**77.45**		**5,670.34**	**43.65**
Other disclosures						
Aggregate amount of quoted investments & market value thereof		28,250.16	77.45		4,928.84	43.65
Aggregate amount of unquoted investments		741.00	-		741.50	-

Notes to the Financial Statements

NOTE NO. 7 - OTHER FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
(i) Security deposits	-	466.25	-	542.39
ii) Deposits against guarantees with maturity of more than 12 months (Refer Note 12)	-	448.75	-	434.13
iii) Loans and advances to employees	254.28	-	152.13	-
iv) Interest accrued on deposits	126.66	-	86.00	-
v) Fair value of foreign exchange derivative assets.	-	-	-	-
	380.94	**915.00**	**238.13**	**976.52**

NOTE NO. 8 - DEFERRED TAX BALANCES

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	474.00	3,549.37
Total	**474.00**	**3,549.37**

As at March 31, 2021

₹ in Lakh

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	532.90	(3,327.86)	-	(2,794.96)
Intangible assets	(369.20)	348.90	-	(20.30)
Right to use assets	319.66	(164.84)	-	154.82
Investments	103.46	260.23	-	363.69
Provision for doubtful debts	-	287.78	-	287.78
Provision for employee benefits	381.94	58.50	-	440.44
MAT credit entitlement	547.37	(547.37)	-	-
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	2,033.24	9.29	-	2,042.53
Total	**3,549.37**	**(3,075.37)**	**-**	**474.00**

As at March 31, 2020

₹ in Lakh

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other comprehensive income	Closing Balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	440.00	92.90	-	532.90
Intangible assets	(6.72)	(362.48)	-	(369.20)
Right to use assets	-	319.66	-	319.66
Investments	-	103.46	-	103.46
Provision for employee benefits	109.00	272.94	-	381.94
Cash flow hedges	41.53	(41.53)	-	-
MAT credit entitlement	47.37	500.00	-	547.37
Disallowances under section 40(a)(i), 43B of the Income-tax Act, 1961	1,866.19	167.05	-	2,033.24
Total	**2,497.37**	**1,052.00**	**-**	**3,549.37**

NOTE NO. 9 - OTHER CURRENT ASSETS

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
Unsecured considered good				
(a) Capital advances				
Capital advances (Unsecured, considered good)				
(i) For capital work in progress	-	1,737.65	-	2,109.92
(ii) For intangible asset under development				
(iii) For Investment property under development				
(b) Advances other than capital advances				
(i) Balances with government authorities (other than income taxes)	5,808.46	156.99	7,830.96	156.99
Less: provision for doubtful receivables	(3.65)	-	(3.65)	-
(ii) Other advances	5,804.81	156.99	7,827.31	156.99
Secured, considered good	-	-	-	-
Unsecured, considered good	3,126.66	-	2,043.25	2.65
Unsecured, considered doubtful	336.42		23.12	
Less: provision for doubtful receivables	(336.42)		(23.12)	
iii) Unbilled revenue	86.30	-	19.76	-
iv) Excess of plan asset on gratuity obligation	34.42	-	-	-
iv) Tax payments, net of provisions (Unsecured, considered good) of	-	5,224.14	-	5,196.14
Total	**9,052.19**	**7,118.78**	**9,890.32**	**7,465.70**

NOTE NO. 10 - INVENTORIES

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
(a) Raw materials	8,664.84	6,451.29
(b) Finished and semi-finished goods	6,172.36	8,975.31
(c) Stores and spares	860.84	736.30
Total Inventories (at lower of cost and net realisable value)	**15,698.04**	**16,162.90**

1. Mode of valuation of inventories is stated in Note 1.12.

NOTE NO. 11 - TRADE RECEIVABLES

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
Trade receivables				
(a) Trade receivables considered good -Unsecured	7,556.89	-	3,080.14	-
(b) Trade receivables which have significant increase in credit risk	-	-	-	
(c) Trade receivables - Credit Imparted	423.26	-	49.57	-
Less: Allowance for credit losses	(423.26)	-	(49.57)	-
Total	**7,556.89**	**-**	**3,080.14**	**-**

Notes to the Financial Statements

NOTE NO. 12 - CASH AND BANK BALANCES

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents		
(a) Balances with banks		
(i) In current accounts	6,667.52	1,541.84
(ii) Fixed deposits with maturity less than 3 months	-	1,877.70
(b) Cash on hand	4.99	3.36
Total cash and cash equivalent	**6,672.51**	**3,422.90**
(a) Earmarked balances with banks - dividend accounts	25.45	459.36
(b) Balances with banks:		
(i) On margin accounts	6,877.27	9,312.34
(ii) Fixed deposits with maturity greater than 3 months disclosed under Note 7	448.75	434.13
	6,428.52	**8,878.21**
Total other bank balances	**6,453.97**	**9,337.57**

Notes

1. Cash and cash equivalents include cash in hand and in banks.

NOTE NO. 13 - EQUITY SHARE CAPITAL

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount ₹ lakh	No. of shares	Amount ₹ lakh
Authorised:				
Equity shares of ₹ 10 each with voting rights	11,40,00,000	11,400.00	11,40,00,000	11,400.00
Preference shares of ₹ 100 each	1,00,000	100.00	1,00,000	100.00
Issued, subscribed and fully Paid:				
Equity shares of ₹ 10 each with voting rights	90,01,941	900.19	87,50,000	875.00
Shares pending issuance	-			
Shares issued pursuant to business combination	-	-	2,51,941	25.19
Total	**90,01,941**	**900.19**	**90,01,941**	**900.19**

(ii) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening balance	Fresh issue	Bonus	ESOP	Other changes	Closing balance
(a) Equity shares with voting rights						
Year ended 31 March 2021						
No. of shares	90,01,941	-	-	-	-	90,01,941
Amount ₹ lakh	900.19	-	-	-	-	900.19
Year ended 31 March 2020						
No. of shares	87,50,000	-	-	-	2,51,941	90,01,941
Amount ₹ lakh	875.00	-	-	-	25.19	900.19

Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of the shareholders in the ensuing annual general meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

Issue of shares to shareholders of Star Metallics & Power Private Limited

The scheme of amalgamation of Star Metallics and Power Private Limited ('Transferor') a subsidiary, with the Company was approved by the Bengaluru bench of National Company Law Tribunal (NCLT), vide its order dated March 4, 2020, and on completion of the required formalities the Scheme became effective from April 1, 2019. The new shares have been issued to the minority shareholders.

(ii) Details of shares held by the holding company:

Particulars	Equity shares with voting rights	Equity shares with differential voting rights	Others
As at 31 Mach 2021			
Skand Private Limited	46,32,040	-	-
As at 31 March 2020			
Skand Private Limited	46,32,040	-	-

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Skand Private Limited	46,32,040	51.46	46,32,040	51.46
Euro Industrial Enterprises Private Limited	6,77,329	7.52	6,77,329	7.52

13 (b). Other Equity

₹ in Lakh

Particulars	Reserves and surplus					Items of other comprehensive income		Total other equity
	Capital redemption reserve	Securities premium reserve	General reserve	Amalgamati on adjustment deficit account	Retained earnings	Remeasurement of post-employment benefit obligations (net of tax)	Cost of hedging (net of tax)	
Balance As at 1 April 2019	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**59,020.93**	**(142.04)**	**(46.08)**	**69,504.93**
Ind As 116 transitional adjustment	-	-	-	-	(54.06)	-	-	(54.06)
Profit / (Loss) for the year	-	-	-	-	14,738.53	(58.45)	46.08	14,726.16
Dividend paid on equity shares	-	-	-	-	(918.75)	-	-	(918.75)
Dividend distribution tax	-	-	-	-	(188.85)	-	-	(188.85)
As at 31 March 2020	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**72,597.80**	**(200.49)**	**-**	**83,069.43**
Profit / (Loss) for the year	-	-	-	-	15,392.76	(51.51)	-	15,341.25
As at 31 March 2021	**100.65**	**10,272.27**	**3,788.11**	**(3,488.91)**	**87,990.56**	**(252.01)**	**-**	**98,410.68**

Description of the nature and purpose of other equity

(a) Capital redemption reserves: Reserve created on redemption of capital.

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	100.65	100.65
Balance as at the end of the period	100.65	100.65

(b) Securities premium reserve: Amounts received on issue of shares in excess of the par value has been classified as securities premium.

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	10,272.27	10,272.27
Balance as at the end of the period	10,272.27	10,272.27

(c) Amalgamation adjustment deficit account: Comprises of excess of the carrying value of the net assets over shares issued and investment made on business combination (Refer Note no 38)

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	(3,488.91)	(3,488.91)
Balance as at the end of the period	(3,488.91)	(3,488.91)

(d) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the profit or loss.

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	3,788.11	3,788.11
Balance as at the end of the period	3,788.11	3,788.11

(e) Retained earnings: Retained earnings comprise of the Company's prior years undistributed earnings after taxes.

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as at the beginning of the year	72,597.80	59,020.93
Balance as at the end of the period	87,990.56	72,597.80

Distributions made and proposed

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Proposed dividends on equity shares		
Final dividend proposed for the year ended on 31 March 2021: ₹ 10 per share	900.19	-
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2019: ₹ 3.5 per share	-	306.25
Dividend distribution tax on final dividend	-	62.95
Interim dividend for the year ended on 31 March 2020: ₹ 7 per share	-	612.50
Dividend distribution tax on Interim dividend	-	125.90
	900.19	**1,107.60**

Proposed dividends on equity shares are subject to approval in annual general meeting and are not recognised as a liability (including dividend distribution tax thereon).

Notes to the Financial Statements

NOTE NO. 14 - BORROWINGS

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
Terms loans				
Secured	-	30,697.36	-	33,122.41
Other loans	-	-	6,864.82	-
Total	**-**	**30,697.36**	**6,864.82**	**33,122.41**

Notes:

Term loans	As at 31 March 2021	As at 31 March 2020
Rupee term loan from the banks (Secured)	30,697.36	33,122.41
Total	**30,697.36**	**33,122.41**

Weighted average interest cost as on 31 March 2021 is 10.26% (31 March 2020 is 10.55%)

Terms of repayment

84 equal instalments from March 31, 2021

Security

First pari-passu charge on all moveable and immovable fixed assets and current assets of the Company present and future including project assets. Pledge of the shares of the holding Company.

Other loans	As at 31 March 2021	As at 31 March 2020
Short-term loans in USD	-	6,864.82
Total	**-**	**6,864.82**

Weighted average interest cost as on 31 March 2021 is Nil (31 March 2020 is 2.23%)

Terms of repayment

short term foreign currency loan for a period of 180 days.

Security

Lien on fixed deposits

NOTE NO. 15 - OTHER FINANCIAL LIABILITIES

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
a. Security deposits	-	3,645.75	-	36.00
b. Current maturities of finance lease obligations	169.82	310.05	449.51	540.10
c. Current maturities of long-term borrowings	5,714.29	-	-	-
d. Payables on purchases of fixed assets	5,040.59	-	5,616.84	-
e. Unpaid dividends	25.45	-	459.36	-
Total	**10,950.15**	**3,955.80**	**6,525.71**	**576.10**

Notes:

1. Unclaimed dividends do not include any amount credited to Investor Education and Protection Fund.

NOTE NO. 16 - PROVISIONS

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
(a) Provision for employee benefits				
1. Compensated absences	54.84	353.86	47.37	264.13
(b) Other Provisions				
1. Mine closure	-	713.00	-	533.00
Total	**54.84**	**1,066.86**	**47.37**	**797.13**

Details of movement in mine closure provision

Particulars	2020-21	2019-20
Opening balance	533.00	382.00
Additional provisions recognised	157.00	126.00
Amounts used during the period	-	-
Unused amounts reversed during the period	-	-
Unwinding of discount and effect of changes in the discount rate	23.00	25.00
Closing balance	**713.00**	**533.00**

Note:

1. The financial obligation towards mine closure plans under relevant Acts and Rules are technically estimated, based on total available ore reserves of all the mining leases. The amount so determined is provided in the books of account on the basis of run of mine ore production of the mines of all the mining leases.

NOTE NO. 17 - TRADE PAYABLES

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
Trade payable - Micro small and medium enterprises	-			
Trade payable - Other than micro small and medium enterprises	18,628.85	-	8,040.84	-
Total trade payables	**18,628.85**	**-**	**8,040.84**	**-**

Notes:

1. Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

NOTE NO. 18- CURRENT TAX ASSETS AND LIABILITIES

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax liabilities		
Tax payable	157.37	-
Total	**157.37**	**-**

Notes to the Financial Statements

NOTE NO. 19 - OTHER CURRENT LIABILITIES

₹ in Lakh

Particulars	As at 31 March 2021		As at 31 March 2020	
	Current	Non- Current	Current	Non- Current
a. Advances received from customers	416.90	-	218.98	-
b. Statutory dues				
- taxes payable (other than income taxes)	7,139.85	-	5,923.68	-
c. Gratuity payable	-	-	99.06	-
d. Other creditors	11.87	-	10.86	-
Total	**7,568.62**	**-**	**6,252.58**	**-**

1. Disputed statutory remittances as at March 31, 2021 ₹ 5,612.03 lakh (As at March 31, 2020 - ₹ 5,285.23 lakh)

NOTE NO. 20 - REVENUE FROM OPERATIONS

The following is an analysis of the company's revenue for the year from continuing operations

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(a)	Revenue from sale of products	73,044.08	58,070.25
(b)	Revenue from rendering of services	459.01	-
(c)	Other operating revenue	1,155.80	1,090.44
Total revenue from operations		**74,658.89**	**59,160.69**

Notes :

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
Disaggregated revenue information			
(i)	Revenue from sale of products comprises:		
	(a) Manganese ore	13,045.69	13,674.90
	(b) Iron ore	36,918.26	33,547.27
	(c) Silico-manganese	10,689.50	10,763.23
	(d) Energy	185.15	84.85
	(e) Coke	12,205.48	-
		73,044.08	**58,070.25**
(ii)	Revenue from sale of Services comprises:		
	Coke Conversion Charges	459.01	-
(iii)	Other operating revenues comprises:		
	(a) Handling charges	787.78	766.83
	(b) Sale of scrap/ waste	246.10	108.63
	(c) Other miscellaneous receipts	121.92	214.98
		1,155.80	**1,090.44**
(iv)	Timing of revenue recognition		
	Goods transferred at a point in time	74,557.56	58,975.57
	Services transferred over time	101.33	185.12
		74,658.89	**59,160.69**
(v)	Contract balance		
	Trade receivables	7,556.89	3,080.14

NOTE NO. 21 - OTHER INCOME

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(a)	Interest Income on financial assets carried at amortised cost		
	On fixed-deposits with banks	302.30	600.39
	On long-term deposits	2.87	20.21
(b)	On investments carried at fair value through profit & loss account	162.25	151.57
(c)	Rental income from Investment property	57.03	59.05
(d)	Gain/ (loss) on investments carried at fair value through profit & loss account	963.39	-335.91
(e)	Profit on sale of capital assets (net of loss on assets sold / scrapped / written off)	2.71	0.82
(f)	Forex gain/loss	109.19	-
(g)	Sale of petroleum products (net of consumption/ expenses of ₹ 2,002.01 lakh previous period : ₹ 1,603.86 lakh)	55.35	40.61
(h)	Others	121.74	29.39
Total other income		**1,776.83**	**566.13**

NOTE NO. 22(A) - COST OF MATERIALS CONSUMED

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Material consumed comprises:		
- Manganese ore	1,057.11	615.46
- Coke	3,129.26	1,330.87
- Coal	37,099.94	5,830.72
- Other materials	501.40	346.26
Less: Capitalised	(29,673.77)	(1,264.85)
Total	**12,113.94**	**6,858.46**

NOTE NO. 22(B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Inventories at the beginning of the year:		
Finished goods	6,126.75	4,277.66
	6,126.75	4,277.66
Inventories at the end of the year:		
Finished goods	6,172.36	6,126.75
	6,172.36	6,126.75
Net (increase) / decrease	**(45.61)**	**(1,849.09)**

Notes to the Financial Statements

NOTE NO. 23 - EMPLOYEE BENEFITS EXPENSE

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(a)	Salaries and wages, including bonus	7,676.90	6,691.71
(b)	Contribution to provident and other funds	488.52	398.21
(c)	Staff welfare expenses	1,135.17	1,251.87
(d)	Subsidy on food grains	892.44	835.09
Total		**10,193.03**	**9,176.88**

NOTE NO. 24 - FINANCE COSTS

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(a)	Interest expense	4,095.76	3,031.18
	Less: Amount included in the cost of qualifying assets	(2,812.47)	(2,383.58)
		1,283.29	**647.60**
(b)	Unwinding of discount on provisions	23.00	25.00
Total		**1,306.29**	**672.60**

NOTE NO. 25 - DEPRECIATION & AMORTISATION EXPENSE

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
(a) Depreciation on property, plant and equipment (Note 2)	2,100.29	1,348.42
(b) Depreciation on investment property (Note 3)	24.00	25.30
(c) Depreciation on other intangible assets (Note 4)	85.40	113.86
(d) Depreciation on right to use assets (Note 5)	471.73	459.07
Total	**2,681.42**	**1,946.65**

NOTE NO. 26 - OTHER EXPENSES

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(a)	Stores consumed	456.72	711.75
(b)	Operation and maintenance charges	683.22	636.92
(c)	Power & fuel	35.67	36.04
(d)	Rent	151.03	146.20
(e)	Rates and taxes	8,523.09	8,060.05
(f)	Insurance	75.91	95.01
(g)	Repairs and maintenance - Machinery	170.35	230.50
(h)	Repairs and maintenance - Building	193.34	320.34
(i)	Repairs and maintenance - Others	440.31	440.42
(j)	Mine running expenses	5,662.61	6,093.77
(k)	Advertisement	8.82	23.16
(l)	Freight, loading and siding charges	3,250.95	3,145.56

₹ in Lakh

Particulars		For the Year ended 31 March 2021	For the year ended 31 March 2020
(m)	Selling expenses	705.86	351.18
(n)	Travelling and conveyance expenses	655.93	826.14
(o)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013	385.28	315.39
(p)	Donations and contributions	192.00	800.00
(q)	Auditors remuneration and out-of-pocket expenses		-
	(i) Towards Statutory Auditor including Limited Review	50.00	49.50
	(ii) Towards taxation Audit Fees	7.00	7.00
	(iii) For Company Law matters	-	-
	(ii) For other services	5.00	3.50
	(iii) For reimbursement of expenses	0.25	4.18
(r)	Provision for doubtful debts/ Advances	686.99	-
(s)	Legal and other professional costs	440.76	349.47
(t)	Assets discarded	475.52	41.25
(u)	Impairment of goodwill	-	149.99
(v)	Foreign exchange fluctuation (net)	-	490.34
(w)	Loss on fixed assets	5.31	-
(x)	Net fair value losses on derivatives not designated as hedges	105.81	124.54
(y)	Security charges	854.57	853.92
(z)	Miscellaneous expenses	1,011.22	1,135.32
Total		**25,233.52**	**25,441.44**

NOTE NO. 27 - CURRENT TAX AND DEFERRED TAX

(a) Income-tax recognised in profit or loss

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Current tax:		
In respect of current year	6,485.00	3,793.35
Deferred tax:		
In respect of current year origination and reversal of temporary differences	3,075.37	(552.00)
Total income tax expense	**9,560.37**	**2,741.35**

(c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	**24,953.13**	**17,479.88**
Income tax expense calculated at 34.94% (Previous year : 34.94%)	8,718.62	6,107.47
Effect of income that is exempt from taxation	-	(3,335.00)

Notes to the Financial Statements

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Effect of timing difference in tax calculation	471.75	(427.00)
Effect of expenses that is non-deductible in determining taxable profit	33.00	79.88
Effect of permanent difference in tax calculation	337.00	316.00
Income tax expense recognised in profit or loss	**9,560.37**	**2,741.35**

NOTE NO. 28 - EARNINGS PER SHARE

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
	Per Share	Per Share
Basic Earnings per share		
From continuing operations	170.99	163.73
Total basic earnings per share	**170.99**	**163.73**
Diluted Earnings per share		
From continuing operations	170.99	163.73
Total diluted earnings per share	**170.99**	**163.73**

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Profit / (loss) for the year attributable to owners of the Company	15,392.76	14,738.53
Less: Preference dividend and tax thereon	-	-
Profit / (loss) for the year used in the calculation of basic earnings per share	15,392.76	14,738.53
Weighted average number of equity shares	90,01,941	90,01,941
Earnings per share from continuing operations - Basic	170.99	163.73
Earnings per share from continuing operations - Diluted	170.99	163.73

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Weighted average number of equity shares used in the calculation of Basic EPS	90,01,941	90,01,941
Weighted average number of equity shares used in the calculation of Diluted EPS	90,01,941	90,01,941

NOTE NO. 29 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent liabilities

a) Claims against the Company not acknowledged as debts:

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Income tax (relating to disallowance of deduction)	6,838.66	6,357.51
Service tax (relating to applicability of tax)	293.35	293.35
Forest development tax including interest	6,820.07	6,167.65
Differential rate relating to sale of power, including interest	463.40	431.62
Differential royalty including interest	953.53	835.62
Customs duty (relating to demand towards differential duty payable on import of coal)	395.95	375.53
Others (relating to provident fund and other matters)	22.85	22.85

The above amounts have been arrived at based on the notice of demand or the Assessment Orders, as the case may be, and the Company is contesting these claims with the respective authorities. Outflows, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

b) Guarantees given by the Company:

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Bank guarantee issued to Indian Bureau of Mines towards progressive mine closure plan - Against working capital limits in the current year and lien on mutual funds at 125% of the value in the previous year.	3,630.73	3,630.73
Bank guarantee issued to vendors against purchase of raw material	279.32	164.69
Letter of credit opened against import of coal	22,956.51	5,131.99

(ii) Commitments:

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for	4,011.46	17,000.83

NOTE NO. 30 - LEASES

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Expenses related to short-term leases		
As Lessee		
Expenses recognised in the statement of profit & loss	151.03	146.20
Maturity analysis of lease liabilities		
Less than 1 year	169.82	449.51
More than 1 year	310.05	540.10
Impact of Change in Accounting Policy (April 1, 2019)		
Right to Use of Asset	-	1,191.80

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Lease Liability	-	1,245.86
Impact in other equity(Adjusted in Retained earnings)	-	(54.06)
Impact on EPS		
Basic earnings per share	-	(0.62)
Diluted earnings per share	-	(0.62)

Effective April 01, 2019, the Company had adopted Ind AS-116 "Leases" retrospectively with cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (1 April 2019). Accordingly, the company was not required to restate the comparative information for the year ended March 31, 2019.

The major impact of adopting Ind AS 116 on the company's financial statements for the year ended March 2020 were as follows:

(a) Depreciation expenses for the year ended March 31, 2020 increased by ₹ 459.87 lakh.

(b) Finance costs for the year ended March 31, 2020 increased due to interest accrued on outstanding lease liability amounting to ₹ 114.67 lakh.

(c) Transitional impact of Ind AS 116 as on April 01, 2019, amounting to ₹ 54.06 lakh has been adjusted against opening balance of retained earnings.

Future lease commitments

All leases other than included above are of either low value or cancellable at the option of lessee.

NOTE NO. 31 - EMPLOYEE BENEFITS

(a) Defined Contribution Plan

The Company's contribution to provident fund and superannuation fund aggregating ₹ 297.64 lakh (previous year : ₹ 269.98 lakh) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The activity of the Company is administered by SMIORE Gratuity Fund Trust. The scheme provides for lump sum payment to vested employees on retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme, vesting occurs upon completion of three years of service.

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of debt type assets, which are expected to outperform government bonds in the long-term.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	As at 31 March 2021	As at 31 March 2020
Discount rate(s)	6.80%	6.75%
Expected rate(s) of salary increase	6.00%	6.00%

Defined benefit plans - as per actuarial valuation on 31st March, 2021

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
	Funded	Funded
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Remeasurements during the period due to		
Changes in financial assumptions	(8.58)	106.34
Changes in demographic assumptions	-	-
Experience adjustments	169.00	0.75
Actual return on plan assets less interest on plan assets	(80.90)	(17.99)
Adjustment to recognise the effect of asset ceiling	-	-
Total	**79.52**	**89.10**
Expense recognised in statement of profit and loss under contribution to provident and other funds in note 23		
Current Service Cost	167.26	129.24
Past service cost	-	-
Administration expenses	-	-
Interest on net defined benefit liability/ (asset)	3.31	(1.49)
(Gains)/ losses on settlement	-	-
Components of defined benefit costs recognised in profit or loss	170.57	127.75
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	2,044.84	2,020.85
2. Fair value of plan assets as at 31st March	2,079.25	1,921.79
3. Surplus/(Deficit)	(34.41)	99.06
4. Current portion of the above	-	-
5. Non current portion of the above	(34.41)	99.06
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	2,020.85	1,904.29
2. Add/(Less) on account of Scheme of Arrangement/Business		
Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	167.26	129.24
- Past Service Cost	-	-
- Interest Expense (Income)	123.30	124.32

Notes to the Financial Statements

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
	Funded	Funded
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	(8.58)	106.34
iii. Experience Adjustments	169.00	0.75
5. Benefit payments	(426.99)	(244.09)
6. Others (Specify)	-	-
7. Present value of defined benefit obligation at the end of the year	**2,044.84**	**2,020.85**
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	1,921.79	1,874.32
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	119.99	125.81
4. Recognised in Other Comprehensive Income		
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	80.90	17.99
- Others (specify)		
5. Contributions by employer (including benefit payments recoverable)	383.56	147.76
6. Benefit payments	(426.99)	(244.09)
7. Fair value of plan assets at the end of the year	**2,079.25**	**1,921.79**

IV. The Major categories of plan assets

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
- List the plan assets by category here		
Government of India Securities	60.91%	41.15%
Corporate Bonds	30.48%	31.44%
Others	8.61%	27.41%

V. Actuarial assumptions

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
1. Discount rate	6.80%pa	6.75%pa
2. Expected rate of return on plan assets	6.80%pa	6.75%pa
3. Attrition rate	2.00% pa	2.00% pa

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal Assumptions		Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
Discount rate	2021	0.50%	-4.04%	4.33%
Salary growth rate	2021	0.50%	4.35%	-4.09%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute ₹ 100 lakh to the gratuity trusts during the next financial year of 2021.

Maturity profile of defined benefit obligation:

Particulars	2021
	Amount (₹ lakh)
Maturity profile	
Expected benefits for Year 1	194.54
Expected benefits for Year 2	138.37
Expected benefits for Year 3	152.42
Expected benefits for Year 4	189.06
Expected benefits for Year 5	182.37
Expected benefits for Year 6	267.80
Expected benefits for Year 7	208.39
Expected benefits for Year 8	202.32
Expected benefits for Year 9	252.84
Expected benefits for Year 10 and above	2,336.02

Plan Assets

The fair value of Company's pension plan asset as of 31 March 2021 and 31 Mar 2020 by category are as follows:

Particulars	2021	2020
Asset category:		
Insurer managed funds	2,054.05	1,845.36
Others	25.20	76.43
Total	**2,079.25**	**1,921.79**

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at 31 March 2021 is 8.37 years.

Notes to the Financial Statements

Summary of defined benefit obligation/ plan assets and experience adjustments

₹ in Lakh

Particulars	Year Ended				
	31.03.2021	31.03.2020	31.03.2019	31.03.2018	31.03.2017
1. Defined Benefit Obligation	2,044.84	2,020.85	1,888.67	1,992.74	1,948.45
2. Fair value of plan assets	2,079.25	1,921.79	1,874.32	2,042.96	1,971.48
3. Surplus/(Deficit)	34.41	(99.06)	(14.35)	50.22	23.03
4. Experience adjustment on plan liabilities [(Gain)/Loss]	169.00	0.75	(51.96)	229.15	24.06
5. Experience adjustment on plan assets [Gain/ (Loss)]	(8.58)	106.34	18.84	(69.61)	75.98

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(c) Other long term benefits - Unfunded

The defined benefit obligations which are provided for but not funded are as under:

₹ in Lakh

Particulars	Liability as at 31.03.2021	Liability as at 31.03.2020
Compensated absences		
- Current	54.84	47.37
-Non Current	353.86	264.13
Total	**408.70**	**311.50**

The actuarial valuation has been carried out using projected unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation.

The Code on Social Security, 2020 ("Code") has been assented by the President of India during September 2020. On 13 November 2020 the Ministry of Labour and Employment has released the draft rules for the Code and is pending to be notified. The Company will analyse and assess the impact if any, post the notification of the rules and suitable adjustments if any will be given effect to in the financial statements.

NOTE NO. 32 - LIST OF RELATED PARTIES AND TRANSACTIONS

(a) List of related parties and relationship

1. Name of the parent Company	Skand Private Limited
2. Key Managerial Personnel (KMP)	1) Bahirji A. Ghorpade, Managing Director, W.e.f June 17, 2020, Director Corporate -April 1, 2020 to June 16, 2020,
	2) Md. Abdul Saleem Director Mines, W.e.f April 1, 2020
	3) Nazim Sheikh, Managing Director, Upto June 16, 2020
	4) Rajnish Singh, Director (Corporate), Upto September 23, 2020
	5) Sachin Sanu, Chief Financial Officer
	6) Bijan Kumar Dash, Company Secretary, W.e.f March 1, 2021
	7) Divya Ajith, Company Secretary, Upto March 1, 2021
	Non - Executive Directors
	1) S. Y. Ghorpade, Upto January 31, 2020
	2) T R Raghunandan
	3) B.Ananda Kumar, Upto January 31, 2020

2. Key Managerial Personnel (KMP)	4) S. S. Rao
	5) Vatsala watsa, Upto January 31, 2020
	6) K V Ramarathnam, Upto January 31, 2020
	7) G. P. Kundargi
	8) Lakshmi Venkatachalam, Upto January 31, 2020
	9) P. Anur Reddy, Upto January 31, 2020
	10) Latha Pillai
	11) Kote Jagadish Rao, w.e.f May 27, 2019
	12) Hemendra Shah, w.e.f May 27, 2019
3. Key Managerial Personnel of Parent Company	1) Suryaprabha A. Ghorpade
	2) Bahirji A Ghorpade
	3) K. Raman
	4) Aditi Raja
4. Relative of KMP	1) Aditya Shivrao Ghorpade
	2) Dhanunjaya Shivarao Ghorpade
	3) Mubeen A Sheriff, Upto June 16, 2020
	4) Yashodhara Devi Ghorpade
	5) R.P. Singh, Upto September 23, 2020
	6) Dr. Nazima Banu
	7) Md. Abdul Raheem
5. Relative of KMP of Parent Company	1) Ajai M. Ghorpade
	2) Ekambar A. Ghorpade
6. Entities controlled by Key Managerial Personnel or their relatives	1) S.Y. Ghorpade (HUF)
	2) S S Infra, Upto June 16, 2020
7. Entity over which Key Managerial Personnel or their relative have significant influence	1) Shivavilas Trust
	2) Shivapur Trust
	3) Skandapur Trust
8. Post employee benefit plan entities	1) SMIORE Employee Provident Fund Trust
	2) SMIORE Gratuity Fund Trust

b) Details of related party transactions for the financial year ended 31 March 2021

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Purchase of services	-	-	2.76	4.04	-	148.43	-	-
Lease rentals	7.01	-	-	30.62	7.61	33.23	8.79	-

Notes to the Financial Statements

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Remuneration to whole-time directors & executive officers	-	606.02	-	93.70	-	-	-	-
Commission paid to whole-time directors	-	87.00	-	-	-	-	-	-
Commission & sitting fees paid to Non-Executive/ Independent Directors	-	311.20	-	-	-	-	-	-
Contribution	-	-	-	-	-	-	-	856.59

c) Balances Outstanding [receivables / (payables)] as at 31 March 2021

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Receivables	-	-	-	-	-	-		-
Payables	(0.64)	(14.72)	-	(3.38)	(0.23)	-	-	(15.70)

d) Details of related party transactions for the financial year ended 31 March 2020

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Purchase of services	-	-	54.00	30.00	-	880.30	6.38	-
Lease rentals	6.03	-	-	31.75	9.03	33.34	-	-
Lease Deposits	-	-	-	-	2.50	-	-	-
Dividends paid	486.36	32.95	0.59	0.66	2.20	-	-	-

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Remuneration to whole-time directors & executive officers	-	331.53	8.54	76.34	-	-	-	-
Commission paid to whole-time directors	-	33.01	-	-	-	-	-	-
Commission & sitting fees paid to Non-Executive/ Independent Directors	-	263.13	-	-	-	-	-	-
Reimbursement of expenses	1.59	-	-	6.73	-	-	-	-
Contribution	-	-	-	-	-	-	-	732.48

e) Balances Outstanding [receivables / (payables)] as at 31 March 2020

₹ in Lakh

Particulars	Parent Company	KMP	KMP of Parent Company	Relative of KMP	Relative of KMP of Parent Company	Entity controlled by KMP or their relatives	Entities over which KMP or their relatives have significant influence	Post-employment benefit plan entities
Receivables	-	-	-	-	-	-	-	-
Payables	(1.59)	(10.61)	(0.49)	(2.76)	(0.78)	(43.00)	(0.55)	(140.96)

f) Break-up of remuneration paid to whole-time directors & executive officers

₹ in Lakh

Particulars	For the Year ended 31 March 2021	For the year ended 31 March 2020
Short-term employee benefits	577.29	309.43
Post-employment benefits	28.73	22.10
Total	**606.02**	**331.53**

Notes:

(i) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(ii) The above figures do not include provisions for encashable leave & gratuity as separate actuarial valuation is not available, however it includes payment of grautity and leave encashment on separations.

Notes to the Financial Statements

NOTE NO. 33 - SEGMENT INFORMATION

The Chief Operating Decision maker has reviewed its business oversight mechanism and has realigned all its operations under four business segment (i.e.) (a) Mining (b) Ferroalloys (c) Coke & energy (d) Unallocable, based on the assessment of the overall risks and rewards.

Year ended 31 March 2021

₹ in Lakh

Particulars	Mining	Ferroalloys	Coke & energy	Un-allocable	Adjustment & eliminations	Total
Revenue	50,766.00	10,940.00	12,850.89	102.00	-	74,658.89
External customers	-	-	-	-	-	-
Inter-segment	2,012.00	-	-	-	(2,012.00)	-
Total revenue	**52,778.00**	**10,940.00**	**12,850.89**	**102.00**	**(2,012.00)**	**74,658.89**
Income/ (Expenses)	26,163.44	9,603.15	9,272.56	2,996.07	(2,012.00)	46,023.22
Depreciation and amortisation	793.38	290.08	908.64	689.32	-	2,681.42
Interest income	(2.77)	(19.10)	-	(283.30)	-	(305.17)
Interest expense	-	-	-	1,306.29	-	1,306.29
Total expenses	**26,954.05**	**9,874.13**	**10,181.20**	**4,708.38**	**(2,012.00)**	**49,705.76**
Segment profit	**25,823.95**	**1,065.87**	**2,669.69**	**(4,606.38)**	**-**	**24,953.13**
Income tax expense or income	-	-		9,560.37	-	9,560.37
Profit after tax for the year	**25,823.95**	**1,065.87**	**2,669.69**	**(14,166.75)**	**-**	**15,392.76**
Total assets	**20,045.13**	**16,774.68**	**72,360.27**	**63,210.64**	**-**	**1,72,390.72**
Total liabilities	**11,800.44**	**2,590.03**	**21,602.82**	**37,086.56**	**-**	**73,079.85**

Year ended 31 March 2020

₹ in Lakh

Particulars	Mining	Ferro alloys & energy	Coke	Un-allocable	Adjustment & eliminations	Total
Revenue	48,022.57	10,950.68	-	187.44	-	59,160.69
External customers	-	-	-	-	-	-
Inter-segment	1,339.92	-	-	-	(1,339.92)	-
Total revenue	**49,362.49**	**10,950.68**	**-**	**187.44**	**(1,339.92)**	**59,160.69**
Income/ (Expenses)	24,656.33	11,393.08	-	4,972.67	(1,339.92)	39,682.16
Depreciation and amortisation	823.28	592.24	-	531.13	-	1,946.65
Interest income	(1.76)	(108.58)	-	(510.26)	-	(620.60)
Interest expense	-	-	-	672.60	-	672.60
Total expenses	**25,477.85**	**11,876.74**	**-**	**5,666.14**	**(1,339.92)**	**41,680.81**
Segment profit	**23,884.64**	**(926.06)**	**-**	**(5,478.70)**	**-**	**17,479.88**

₹ in Lakh

Particulars	Mining	Ferroalloys	Coke & energy	Un-allocable	Adjustment & eliminations	Total
Income tax expense or income	-	-	-	2,741.35	-	2,741.35
Profit after tax for the year	**23,884.64**	**(926.06)**		**(8,220.05)**	**-**	**14,738.53**
Total assets	**15,794.79**	**37,676.95**		**92,724.85**	**-**	**1,46,196.59**
Total liabilities	**10,622.71**	**7,607.66**		**43,996.60**	**-**	**62,226.97**

Revenue from major products and services

The following is an analysis of the Company's revenue from continuing operations from its major products and services:

₹ in Lakh

Particulars	For the Year ended 31 March 2021	Year ended 31 March 2020
Revenue from sale of products		
Manganese ore	13,045.69	13,674.90
Iron ore	36,918.26	33,547.27
Ferro alloys	10,689.50	10,763.23
Energy	185.15	84.85
Coke	12,205.48	-
Total	**73,044.09**	**58,070.25**
Revenue from sale of services		
Coke Conversion Charges	459.01	-

Geographical Information

₹ in Lakh

Particulars	India		Rest of the World		Total	
	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2021	Year Ended 31 March 2020
Revenue from operations						
Manganese ore	13,045.69	13,674.90	-	-	13,045.69	13,674.90
Iron ore	36,918.26	33,547.27	-	-	36,918.26	33,547.27
Ferro alloys	10,689.50	10,763.23	-	-	10,689.50	10,763.23
Energy	185.15	84.85	-	-	185.15	84.85
Coke	12,205.48	-	-	-	12,205.48	-
Coke Conversion Charges	459.01	-	-	-	459.01	-
Others	1,155.80	1,090.44	-	-	1,155.80	1,090.44
Total	**74,658.89**	**59,160.69**	**-**	**-**	**74,658.89**	**59,160.69**

Notes to the Financial Statements

NOTE NO. 34 - FINANCIAL INSTRUMENTS

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1.19 to the financial statements.

(a) Financial assets and liabilities

₹ in Lakh

Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Equity investments	77.45	43.65
(b) Mutual fund investments - Quoted	28,250.16	4,928.84
(c) Mutual fund investments - Unquoted	741.00	741.50
Total financial assets measured at FVTPL (a)	**29,068.61**	**5,713.99**
Measured at amortised cost		
Other financial assets+	1,295.94	1,214.65
Trade receivables	7,556.89	3,080.14
Cash and cash equivalents	6,672.51	3,422.90
Other bank balances	6,453.97	9,337.57
Total financial assets measured at amortised cost (b)	**21,979.31**	**17,055.26**
Derivative instruments in designated hedge accounting relationships (c)	-	-
Total financial assets (a)+(b)+(c)	**51,047.92**	**22,769.25**
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)	3,955.80	576.10
Provisions	1,121.70	844.50
Total financial liabilities measured at FVTPL (a)	**1,121.70**	**844.50**
Measured at amortised cost		
Trade payables	18,628.85	8,040.84
Other financial liabilities	10,950.15	6,525.71
Total financial liabilities measured at amortised cost (b)	**29,579.00**	**14,566.55**
Total financial liabilities (a) + (b)	**30,700.70**	**15,411.05**

Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value of the financial assets that are measured at fair value on a recurring basis

Fair valuation techniques and inputs used

Financial assets measured at Fair value	Fair value as at (₹ lakh)		Fair value hierarchy	Basis for valuation
	31-Mar-21	31-Mar-20		
(a) Equity investments	77.45	43.65	Level - 1	Quoted price
(c) Mutual fund investments - Quoted	28,250.16	4,928.84	Level - 1	Quoted price
(c) Mutual fund investments - Unquoted	741.00	741.50	Level - 2	NAV of Mutual Funds
(d) Foreign currency option contract	-	-	Level - 2	Margin Money
Total financial assets	**29,068.61**	**5,713.99**		

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Financial risk management objectives

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include credit risk and liquidity risk.

Foreign currency risk management

The company is generally exposed to foreign exchange risk arising through its purchases denominated in foreign currency predominately in US dollars.

During the current year there is no exports of ores and alloys, however the company has imported ores and coking coal which is subjected to foreign exchange risk. The Company normally enters into either an option contract forward contract s to mitigate the risk of changes in exchange rates on foreign currency exposures. These contracts are measured at fair value through profit and loss.

Foreign currency risk exposure as at balance sheet date

Particulars	As at March 31, 2021	As at March 31, 2020
	USD	USD
Trade payable	1,09,73,020	23,11,938
Borrowings		
Short-term loan from banks	-	91,13,657
Derivative asset		
Foreign currency option buy contract	-	-
Number of contracts	-	-

Notes to the Financial Statements

Sensitivity analysis for 1% increase or decrease in exchange rate and the impact on profit and equity. Positive number indicates increase in profit and equity and negative number indicates decrease in profit and equity.

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Payables- USD/INR		
Increase in INR	**80.29**	**86.11**
Decrease in INR	**(80.29)**	**(86.11)**

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The company is exposed to credit risk from its operating activities mainly Trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for doubtful receivables has been histroically neglible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at March 31, 2021 is considered to be adequate.

Movement in allowance for bad and doubtful debts

Particulars	Amount (₹ lakh)
As at April 1, 2019	49.57
Additional allowance	-
As at March 31, 2020	49.57
Additional allowance	373.69
As at March 31, 2021	423.26

Cash and bank balances

The cash and bank balances as at the balance sheet date is as follows:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and bank balances	6,672.51	3,422.90

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

March 31, 2021

₹ in Lakh

Financial liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Long-term borrowings	-	11,428.57	19,268.79	30,697.36	
Short-term borrowings	-	-	-	-	

₹ in Lakh

Financial liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	18,628.85	-	-	18,628.85	
Other financial liabilities	10,950.15	3,955.80	-	14,905.95	
Total	**29,579.00**	**15,384.37**	**19,268.79**	**64,232.16**	**-**

March 31, 2020

₹ in Lakh

Financial liabilities	Due within (years)			Total	Carrying amount
	Less than 1 year	1 - 3 years	3+ years		
Trade payables	8,040.84	-	-	8,040.84	
Other financial liabilities	6,525.71	576.10		7,101.81	
Total	**14,566.55**	**576.10**	**-**	**15,142.65**	**-**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees at floating rates of interest.

Total Borrowings as at the balance sheet date is as follows:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Team Loan (Including Current Maturities)	36,411.65	33,122.41
Other loans	-	6,864.82

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease / increase by ₹ 364.12 Lakh (for the year ended 31 March 2020: decrease / increase by ₹ 399.87 Lakh). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Capital management

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

The details of borrowings as at the balance sheet date is as follows:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Current borrowings	-	6,864.82
Non-current borrowings	30,697.36	33,122.41
Total	**30,697.36**	**39,987.23**

The capital structure of the Company represents total equity which is as follows:

₹ in Lakh

Particulars	March 31, 2021	March 31, 2020
Total equity	99,310.87	83,969.62

Notes to the Financial Statements

NOTE NO. 35 - DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

₹ in Lakh

Particulars	31-Mar-21	31-Mar-20
(i) Principal amount remaining unpaid to MSME suppliers as on	-	-
(ii) Interest due on unpaid principal amount to MSME suppliers as on	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

NOTE NO. 36 - EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (AS PER SECTION 135 OF THE 2013 ACT)

(a) Gross amount required to be spent by the company during the year ₹ 374.82 lakh (previous year ₹ 308.32 lakh).

(b) Amount spent during the year on:

₹ in Lakh

Particulars	In Cash	Yet to be paid in cash	Total
1. Construction / acquisition of any asset	-	-	-
	(-)	(-)	(-)
2. On purposes other than (1) above	385.28	-	385.28
	(315.39)		(315.39)

Previous year figures are in brackets

NOTE NO. 37 - PRODUCTION / PURCHASE, SALES, OPENING AND CLOSING STOCK OF FINISHED GOODS

Particulars	Opening stock	Production/ Purchase/ Generation	Internal consumption	Sales	Closing stock	[Excess] / Shortage
Manganese ore (Tonnes)	1,51,044	2,84,553	60,948	2,00,634	1,74,015	-
	(1,20,132)	(2,85,001)	(31,825)	(2,22,264)	(1,51,044)	-
Iron ore (Tonnes)	5,52,583	15,95,000	-	15,92,000	5,55,583	-
	(5,07,581)	(15,90,002)	-	(15,45,000)	(5,52,583)	-
Silicomanganese (Tonnes)	1,829	36,265	-	37,523	571	-
	(578)	(20,544)	-	(19,292)	(1,829)	-
Energy (Mega watt)	-	1,87,790	1,52,084	14,830	-	20,876
	(-)	(1,17,657)	(87,509)	(12,116)	(-)	(18,035)
Coke (Tonnes)	13,199	1,68,899	9,228	1,71,486	1,383	-
		(25,375)	(1,926)	(10,230)	(13,199)	(20)

Notes:

a) Silicomanganese production includes 17,223 tonnes of trial production. (Previous year : 2,565 tonnes)

b) Silicomanganese sales includes, sale of 19,053 tonnes of trial production. (Previous year: 735 tonnes)

c) Coke production of 1,22,956 tonnes pertains to trial production (Previous year: 25,375 tonnes)

d) Coke sale of 1,25,564 tonnes pertains to sales out of trial production. (Previous year : 10,230 tonnes)

e) Previous year figures are in brackets.

NOTE NO. 38 - SCHEME OF ARRANGEMENT ('THE SCHEME')

Merger of Star Metallics & Power Private Limited ('SMPPL') with The Sandur Manganese and Iron Ores Limited ('the Company') during the previous year ended March 31, 2020

Pursuant to the Scheme of Arrangement ('The Scheme') approved by the National Company Law Tribunal ('the NCLT'), Bengaluru Bench vide its order number "C.P. (CAA) NO.53/BB/2019" dated 4th March 2020., Star Metallics & Power Private Limited (the Merged undertaking) subsidiary of the Company, merged with the Company with effect from April 1, 2019 ('the appointed date'). As per appendix C of Ind AS 103 – "Business Combinations", the financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the date of actual combination. Accordingly, business combination is accounted with effect from April 1, 2018.

The Merged undertaking was a subsidiary of the Company in which the Company held 80.58% of the issued and paid up capital.

Accounting treatment of the arrangement:

Business combination was accounted for using the 'pooling of interests' method as per Appendix C of Ind AS 103 - Business Combinations as notified under Section 230 to 232 of the Companies Act, 2013 which involved the following:

a) The financial information in the financial statements in respect of prior periods was restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. Accordingly, business combinations was accounted with effect from April 1 2018.

b) The Company recorded the asset and liabilities of the Merged Undertaking vested in it pursuant to this Scheme at the respective book values appearing in the books of the Merged Undertaking.

c) The value of investment in the Merged Undertaking in the books of the Company was cancelled. Accordingly 75,240,000 equity shares constituting 80.58% of the issued, subscribed and paid up share capital of SMPPL held by the Transferee Company was cancelled;

d) No adjustments were made to reflect fair values, or recognise any new assets or liabilities.

e) As per clarification in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 9, goodwill was recognised in the books of the Company and the good will was impaired subsequently.

f) The difference between the net assets of the Merged Undertaking transferred to Company, after making adjustment specified in (c) and (d) was adjusted in 'Other Equity' of the Company.

g) The Company as on 30 March 2020, allotted 251,941 equity shares of the Company to the minority shareholders constituting 19.42% of the issued, subscribed and paid up share capital of SMPPL, in the ratio of 1 equity share of ₹ 10/- each of the Company for every 72 equity shares of ₹ 10/- each held by such shareholder in SMPPL.

Book value of assets and liabilities taken over were as follows:

₹ in Lakh

Particulars	March 31, 2019	April 1, 2018
Assets		
Non-current assets		
(a) Property, plant and equipment	13,358.87	13,773.47
(b) Capital work-in-progress	-	24.71
(c) Financial assets - other financial assets	34.19	34.19
(d) Deferred tax assets	47.37	29.38
(e) Other non-current assets	206.04	154.39
Total non-current assets	**13,646.47**	**14,016.14**

Notes to the Financial Statements

₹ in Lakh

Particulars	March 31, 2019	April 1, 2018
Current assets		
(a) Financial assets		
(i) Investments	529.37	529.37
(ii) Trade receivables	638.04	638.04
(iii) Cash and bank balances	1,900.16	1,900.16
(iv) Other financial assets	23.61	23.61
(b) Other current assets	55.38	55.38
Total current assets	**3,146.56**	**3,146.56**
Total assets (A)	**16,793.03**	**17,162.70**
Equity and liabilities		
Liabilities		
Non-current liabilities		
(a) Provisions	2.20	1.87
Total non-current liabilities	**2.20**	**1.87**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	203.28	294.33
(b) Other current liabilities	160.55	165.56
(c) Provisions	16.40	7.91
Total current liabilities	**380.23**	**467.80**
Total equity and liabilities (B)	382.43	382.43
Total net identifiable assets (C) = (A) - (B)	16,410.60	16,780.27
Recognition of goodwill (D)	149.99	149.99
Cost of investment (E)	12,748.00	12,748.00
Impact on non-controlling interest (F)	25.19	25.19
Net impact transferred to other equity (G) = (C) + (D) - (E) - (F)	**3,787.40**	**4,157.07**
Balance in securities premium reserve		9,305.04
Retained earnings		(2,515.14)
Capital reserve on amalgamation		(3,488.91)
Total		**3,300.98**

Other adjustments/matters arising out of merger

As per Appendix C of Ind AS 103 'Business Combination' for all the business combinations under common controls the financial information in the financial statements in respect of prior period should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of accrual date of the combination. Hence financial statements of the Merged Undertaking were merged with effect from April 1, 2018. Accordingly figures for the year ended March 31, 2019 were reinstated are after giving effect to the merger.

NOTE NO. 39 - EVENTS OCCURRING AFTER BALANCE SHEET:

In respect of the current year, the directors propose that a dividend of ₹ 10 per share be paid on equity shares on 31 March 2021. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 28 June 2021. The total estimated equity dividend to be paid is ₹ 900.19 lakh.

NOTE NO. 40 - The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment including capital work in progress, intangible assets, investments, inventories, trade receivables, other financials assets, other assets etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of the Standalone Financial statements including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The Company will continue to closely monitor for any material changes to future economic conditions.

NOTE NO. 41 - The financial statements of The Sandur Manganese & Iron Ores Limited were approved by the Board of Directors and authorised for issue on 28 June 2021.

NOTE NO. 42 - The figures of the previous year have been regrouped/recasted, wherever necessary to conform with the current year classification.

In terms of our report attached
For **R Subramanian and Company LLP**
Chartered Accountants
FRN: 004137S/ S200041

Gokul S. Dixit
Partner
Membership No. 209464
UDIN: 21209464AAAAAF7645

Place: Bengaluru
Date: 28 June 2021

For and on behalf of the Board of Directors

T.R. Raghunandan
Chairman

Bijan Kumar Dash
Company Secretary

Bahirji A. Ghorpade
Managing Director

Sachin Sanu
Chief Financial Officer

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements:

Particulars	31-03-2022	31-03-2021	31-03-2020
Net Profit for the year ended (A) (₹ in lakh)	67,512	15,393	14,739
Net worth at the end of year ended (B) (₹ in lakh)	1,69,563	1,02,951	87,558
No. of equity shares outstanding at the year ended (C) (in lakh)	90.02	90.02	90.02
Basic Earnings Per Share (EPS)	749.97	170.99	163.73
Diluted Earnings Per Share (EPS)	749.97	170.99	163.73
Return on Net Worth (%) (A/B)	39.82%	14.95%	16.83%
Net Asset Value per Share (in ₹) (B/C)	1,883.61	1,143.65	972.65
EBITDA (₹ in lakh)	1,00,936	28,941	20,099

Formula used:

1. **Earnings Per Share (₹):** Net Profit after tax for the year attributable to Equity Shareholders divided by weighted average no of equity shares outstanding during the year.

2. **Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the year multiplied by 100.

3. **Net Asset Value Per Share (₹):** Net Assets as at the year-end and divided by total number of equity shares outstanding at the end of the year.

4. **EBITDA (₹ in lakh):** Profit before tax plus finance costs plus depreciation and amortisation expense and interest income.

For and on behalf of

R Subramanian and Company LLP
Chartered Accountants
Firm Registration No:004137S / S200041

Sd/-
Gokul S Dixit
Partner
Membership No: 209464
UDIN: 22243500AMIRCQ8138

Date:06-07-2022
Place: Chennai

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our audited financial results of operations for the financial year ended March 31, 2021 and March 31, 2022. One should read the following discussion and analysis of our financial results of operations in conjunction with the section titled "Financial Information" beginning on page 66 of this Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" beginning on page 18 of this Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" beginning on page 15 of the Letter of Offer.

Unless otherwise stated, the financial information of the Company used in this section has been derived from the audited financial results of operations for the financial year ended March 31, 2021 and March 31, 2022. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to "The Sandur Manganese & Iron Ores Limited", the Company.

BUSINESS OVERVIEW

*For Detailed information on our business, please refer to chapter titled **"Our Business"** beginning from page no.* 50 *of this Letter of Offer*

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of the Company and except as disclosed in this Letter of Offer and as disclosed below, since the date of the last audited period i.e., March 31, 2022, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of the Company or the value of its assets or its ability to pay its material liabilities within the next twelve months:

1. Incorporation of a wholly-owned subsidiary company under the name and style of "Sandur Pellets Private Limited"
2. The Supreme Court on 20 May 2022 directed for relaxing the curbs on sale of iron ore mined in three districts in Karnataka. The court also allowed for the export of excavated iron ore subject to terms and conditions set by the central government.
3. The Government of India customs duty on import of Coking Coal. It increased export duty on Coke to 5% on iron ore from 30% to 50%.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "***Risk Factor***" beginning on page 18 of this Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Any failure to comply with the financial and restrictive covenants under our financing arrangements;
2. Our ability to retain and hire key employees or maintain good relations with our workforce;
3. Impact of any reduction in sales of our services/products;
4. Increased competition in industries/sector in which we operate;
5. General economic and business conditions in India and in the markets in which we operate and in the local, regional and national economies;
6. Changes in laws and regulations relating to the Sectors in which we operate;
7. Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects;
8. Failure to obtain any applicable approvals, licenses, registrations and permits in a timely manner;
9. Occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition;
10. Our inability to successfully diversify our product offerings may adversely affect our growth and negatively impact our profitability; and
11. Changes in applicable levies and policies of the Government.

SIGNIFICANT ACCOUNTING POLICIES:
Our significant accounting policies are described in the section entitled ***"Financial Information"*** beginning from page no. 66 of the Letter of Offer

SUMMARY OF THE RESULTS OF OPERATION:
The following table sets forth select financial data from Audited standalone Profit and Loss accounts for the financial year ended on 31st March 2021 and 31st March 2022 and the components of which are also expressed as a percentage of total income for such periods.

(Rs. in Lakh)

Particulars	For the year ended					
	31-03-2020	% of Total Revenue	31-03-2021	% of Total Revenue	31-03-2022	% of Total Revenue
Income						
Revenue from Operations	59,161	99.05%	74,659	97.68%	2,24,874	98.46%
Other Income	566	0.95%	1,777	2.32%	3,523	1.54%
Total Revenue	**59,727**	**100.00%**	**76,436**	**100.00%**	**2,28,397**	**100.00%**
Expenditure						
Cost of Material Consumed	6,858	11.48%	12,114	15.85%	79,051	34.61%
Changes in Inventories	-1,849	-3.10%	-46	-0.06%	-922	-0.40%
Employee Benefit Expenses	9,177	15.36%	10,193	13.34%	11,294	4.94%
Other Expenses	25,441	42.60%	25,234	33.01%	38,039	16.65%
Total	**39,628**	**66.35%**	**47,495**	**62.14%**	**1,27,462**	**55.81%**
Profit Before Interest, Depreciation and Tax	**20,099**	**33.65%**	**28,941**	**37.86%**	**1,00,935**	**44.19%**
Depreciation	1,947	3.26%	2,681	3.51%	5,560	2.43%
Profit Before Interest and Tax	**18,152**	**30.39%**	**26,259**	**34.35%**	**95,375**	**41.76%**
Finance Cost	673	1.13%	1,306	1.71%	3,843	1.68%
Profit before Taxation	**17,480**	**29.27%**	**24,953**	**32.65%**	**91,532**	**40.08%**
Provision for Taxation	3,793	6.35%	6,485	8.48%	22,453	9.83%
Provision for Deferred Tax	-1,052	-1.76%	3,075	4.02%	1,568	0.69%
Total	**2,741**	**4.59%**	**9,560**	**12.51%**	**24,021**	**10.52%**
Profit After Tax for the year	**14,739**	**24.68%**	**15,393**	**20.14%**	**67,511**	**29.56%**

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2022 WITH FISCAL 2021

Total Revenue: Our total revenue during the financial year 2022, has been increased to ₹2,28,397 Lakhs as compared to ₹76,436 Lakh in the previous financial year 2021, registering a substantial increase of 198.81% YOY. This increase was primarily due to the addition of full year operation of coke and energy division and considerable improvement of realization from ferroalloy and mining division supported by higher demand.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the financial year 2022 has increased to ₹1,27,462 Lakh (55.81% of total revenue) as against ₹47,495 Lakh (62.14% of total revenue) in the previous year 2021. This increase was mainly due to increase in volume of operation during the financial year 2022 as mentioned in revenue above.

EBITDA (Earnings before Interest, Tax Depreciation & Amortization expenses): Our EBITDA for the financial year 2022 stood at ₹1,00,935 Lakhs (44.19% of total revenue) compared to ₹28,941 Lakh (37.86% of total revenue) in the previous financial year 2021, registering a substantial growth of 248.77% from YOY. This increase was mainly due to full year operations of Coke and better margin from the existing product.

PBT (Profit before Tax): Our PBT for the financial year 2022 stood at ₹ 91,532 Lakh (40.08% of total revenue) compared to ₹24,953 Lakhs (32.65% of total revenue) in the previous financial year 2021, registering a substantial growth of 266.82% from YOY. This increase was mainly due to full year operations of Coke and better margin from the existing product.

PAT (Profit after Tax): Our PAT for the financial year 2022 stood at ₹67,511 Lakh (29.56% of total revenue) compared to ₹15,393 Lakh (20.14% of total revenue) in the previous financial year 2021, registering a substantial growth of 338.59% from YOY. This increase was mainly due to full year operations of Coke and better margin from the existing product.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2021 WITH FISCAL 2020

Total Revenue: Our total revenue during the financial year 2021, has been increased to ₹ 76,436 Lakhs as compared to ₹ 59,727 Lakh in the previous financial year 2020, registering a substantial increase of 27.98% YOY. This increase was primarily due to commencement of coke operations in Q4 of Financial Year 2021 along with healthy realization in Mining and Ferroalloys segment over the year.

Total Expenses: The total expenditure excluding depreciation, Interest and tax amount, for the financial year 2021 has increased to ₹47,495 Lakh (62.14% of total revenue) as against ₹39,628 Lakh (66.35% of total revenue) in the previous year 2020. This increase was mainly due to increase in volume of operation during the financial year 2022 as mentioned in revenue above.

EBITDA (Earnings before Interest, Tax Depreciation & Amortization expenses): Our EBITDA for the financial year 2021 stood at ₹28,941 Lakhs (37.86% of total revenue) compared to ₹ 20,099 Lakh (33.65% of total revenue) in the previous financial year 2020, registering a substantial growth of 43.99% from YOY. This increase was due to superior realisations in the Mining business, a successful turnaround of the Ferroalloys business following the commissioning of the WRHB, in addition of Coke to the Company's portfolio.

PBT (Profit before Tax): Our PBT for the financial year 2021 stood at ₹ 24,953 Lakhs (32.65% of total revenue) compared to ₹ 17,480 Lakhs (29.27% of total revenue) in the previous financial year 2020, registering a substantial growth of 42.75% from YOY. This increase was mainly due to increase in sale volume of coke and iron ore quantity during during the year and better sales realization.

PAT (Profit after Tax): Our PAT for the financial year 2021 stood at 15,393 Lakh (20.14% of total revenue) compared to ₹ 14,739 Lakh (24.68% of total revenue) in the previous financial year 2020, registering a substantial growth of 4.44% from YOY. This increase was mainly due to increase in sale volume of coke and iron ore quantity during during the year and better sales realization.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

The Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities. Except as disclosed below, there is no outstanding litigation with respect to (i) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; (ii) issues of moral turpitude or criminal liability on the part of the Company; (iii) material violations of statutory regulations by the Company; (iv) economic offences where proceedings have been initiated against the Company; and (v) other litigation involving the Company, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the Materiality Policy.

*For the purpose of above, as per the materiality policy in accordance with the Company's 'Policy on determination of materiality of an event or information' framed in accordance with Regulation 30 of the SEBI Listing Regulations. The Board of Directors of the Company has approved and adopted this policy in its meeting held on 18 May 2022 The materiality threshold for litigations/disputes/regulatory actions with impact exceeding ₹ 100 Crore are material for The Company for the purposes of disclosure in this section of this Letter of Offer ("**Materiality Threshold**"). The litigations involving an amount lesser than the materiality threshold has not been covered under this letter of Offer.. However, certain cases where the amount has not been ascertainable has been provided hereunder.*

THE COMPANY

A. LITIGATIONS INVOLVING THE COMPANY

1. AGAINST THE COMPANY

(a) Details of pending matters, litigations, proceedings which, if they result in an adverse outcome, would not materially and adversely affect the operations or the financial position of the Company:

i. The Sandur Manganese & Iron Ores Limited v Collector of Customs, Vizag

Court/Authority	**Hon'ble High Court at Andhra Pradesh, Hyderabad, WP No.14682 of 2007 & WPMP No.18467 of 2007, WPMP No. 74286 of 2007, WPMP No. 74288 of 2007, WVMP No. 12222 of 2007, WPMP No. 50310 of 2008, WPMP No. 93742 of 2010**
Section Code	**Article 226 of the Constitution of India**
Date of Filing	**04 July 2007**
Case Details	**Assistant Commissioner of Customs raised demand of Rs 15,22,741 and Rs 74,44,562 on the import of two consignments of Low Ash Metallurgical (LAM) coke by the Company. CESTAT, Chennai has, vide its order No. 112/07 dated 8 February 2007, set aside the customs duty demand of Rs. 15,22,741/- (on grounds of limitation) and upheld the duty demand of Rs. 74,44,562/-, that was raised by the Assistant Commissioner of Customs. The Company filed an application for rectification of mistake (ROM). CESTAT after hearing the arguments passed another order bearing Nos.555 and 556/07 on 14 June 2008 stating that there were no Mistakes apparent on the record,** **The Company preferred an appeal before the Hon'ble High Court of Andhra Pradesh, Hyderabad against the order of CESTAT. Andhra Pradesh High Court stayed the proceedings subject to Company paying 50% of the demand. The Company has complied with the directions of the Andhra Pradesh High Court.** **Further, an appeal was filed by the Commissioner of Customs, Chennai before the Madras High Court on 19 June2008 challenging the Final Order No.112/07 dated 8 February 2007 passed by CESTAT. The matter was heard on 24 August 2018, and the appeal was dismissed based on the Company's submission that vide a Circular of the Government of India, no appeals must be pursued by the Department, if the demand is less than Rs. 20 lakh which was dismissed on the ground of limitation for filing an appeal. Accordingly, the dispute pertaining to customs demand of Rs. 74,44,562/- only is pending with the Hon'ble High Court.**
Status	**Pending (Matter is not yet listed/heard)**
Amount Involved	**416.38 Lakh (Disclosed as contingent liabilities)**

ii. ***Smt. Sabitri Mallick v MY Ghorpade before the High Court of Orissa, Cuttack Recovery of Dues of ₹ 11.77 lakh***

Court/Authority	**Hon'ble High Court of Orissa, Revision First Appeal No.277/2005**
Section Code	**Code of Civil Procedure 1908 (CPC)**
Date of Filing	**5 November 2005**
Case Details	**The Company had availed the services of Smt. Sabitri Mallik of "Mallik Associates" ("the party") for transportation of nut coke from Rourkela Steel Plant and Ichhapuram to the Company's Metal and Ferroalloy Plant, situated at Vyasanakere, Hosapate, Karnataka. The party has filed a Money Suit (No.21/2000) on 24 March2000 in the Court of Civil Judge (Sr. Division), Rourkela, Orissa. The matter was decided in favour of the Company by the Adhoc ADJ, Fast Track Court, Rourkela on 19 September2005, inter alia, on the grounds of limitation.** **The party had filed Revision First Appeal (No.277/05) in the High Court of Orissa, Cuttack on 5 November 2005 and the matter was admitted on 17 February 2006.**
Status	**Pending**
Amount Involved	**Not ascertained till date**

iii. ***Ashok Kumar Lingala vs. The Sandur Manganese & Iron Ores Limited (SMIORE)***

Court/Authority	**Hon'ble High Court of Karnataka**
Section Code	**Article 226 of the Constitution of India, Civil Procedure Code 1908 (CPC)**
Date of Filing	**WP No. 16302/2013 - 05-04-2013** **OS No. 112/2020 – 13-11-2020**
Case Details	**The case is with regard to the grant of Mining Lease (ML) No. 2622 to Ashok Kumar Lingala by Government of Karnataka (GoK) which is overlapping with the Company's Mining Lease area. On Company's representation the Director, Department of Mines & Geology suspended mining operation of Ashok Kumar Lingala and recommended GoK for cancellation of mining lease no 2622.** **A Writ Petition was filed by Ashok Kumar Lingala before the Hon'ble High Court of Karnataka at Bangalore against the Department of Mines & Geology for its order of suspension of Mining operations and recommendation to Govt. of Karnataka to cancel the ML No. 2622. On dismissal of Writ Petition a Special Leave Petition (Civil) filed by Lingala, at Hon'ble Supreme Court. Hon'ble Supreme Court directed the Secretary Commerce & Industries (C&I) Department to constitute a committee to conduct a proper Survey and Demarcation of the mining leases of both the parties and to decide the matter. The Committee vide its Order dated 20 October 2012 held that the ML No. 2622 granted in favour of Lingala be treated as void.** **A writ petition was filed by Lingala W.P 16302/2013 against Secretary C&I's Order which is pending to be decided.** **A suit bearing OS No, 112 of 2020 has been filed by Lingala before the Civil Judge, Sandur seeking injunction against SMIORE from constructing any structures on the schedule area., and a (Interlocutory Appeal) IA filed by Plaintiff seeking temporary injunction restraining the company from construction of any structure on the land in the subject area was dismissed on 4 February 2022 Suit is presently posted for Plaintiff evidence on 18 June 2022.**
Status	**Pending**
Amount Involved	**Not ascertained till date**

iv. ***Forest Lease Rent Case: Government of Karnataka vs. The Sandur Manganese & Iron Ores Limited (SMIORE)& Ors.***

Court/Authority	**Hon'ble High Court of Karnataka, Review Petition 203/2011**
Section Code	**Article 226 of the Constitution of India, Civil Procedure Code 1908 (CPC)**
Date of Filing	**23 May 2011**
Case Details	**The Company and other Lease holders were served with Demand notices, by State Authority, calling upon them to pay the balance part of Rent and supervision charges based on Karnataka Government order dated 21 May 1997 and 29 August 1997.** **The Company and other Lease holders had filed Writ Petition before the Hon'ble High Court of Karnataka challenging the demands and contended that in the absence of legislation, the State Government has no authority in law to impose, demand and recover lease rent and supervision charges, for lease land. Not finding merit on the arguments of the State of Karnataka that the lease rent and supervision charges are a tax on the leased forest land and observing that the State has not discharged its obligation to establish that the Government Orders are under Article 265 (Taxes not to be imposed save by authority of law) and Entry 49 List II (taxes on land and buildings), it was held that the demand was not an impost in accordance with law, and the Writ Petitions were allowed.** **Later an appeal was filed by the State Government against the Order of the Single Bench, which was withdrawn with liberty to file Review Petition before Single Judge and a Review Petition 203/2011 has been filed. The Review Petition was dismissed for default vide Order dated 11 January 2016. However, vide Order dated 29 April 2016, the Review Petition has been restored and the dismissal order recalled. Matter was last listed on 23 October 2019 and no hearing has taken place.**
Status	**Pending**
Amount Involved	**Not ascertained**

v. ***The Sandur Manganese & Iron Ores Limited Vs. Assistant Provident Fund Commissioner, Bellary***

Court/Authority	**Bengaluru CGIT, EPF No. 652/2017**
Section Code	**Section 14B of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952**
Date of Filing	**16 April 2014**
Case Details	**The Company has preferred an appeal before Employees' Provident Fund Appellate Tribunal (EPFAT), New Delhi vide EPF Appeal 322(6)/2014 against the order of Assistant Provident Fund Commissioner (APFC), EPFO Sub-Regional Office, Ballari, wherein damages of Rs. 11,87,761/- were imposed on the Company alleging that the Company had defaulted in the payment of contributions.** **The EPFAT stayed the said Order of APFC on 16 April 2014 subject to deposit of Rs. 4 lakhs with APFC, Ballari. The Company has duly complied the order of EPFAT. The matter was transferred to Bengaluru after CGIT & EPFAT were merged and the case is re-numbered as EPF No. 652/2017.**
Status	**Pending**
Amount Involved	**Not ascertained**

vi. ***Dismissed Employees of The Sandur Manganese & Iron Ores Limited vs. The Sandur Manganese & Iron Ores Limited***

Court/Authority	**Hon'ble High Court of Karnataka, Dharwad Bench, Writ Petition (WP) No. 29221/2015**
Section Code	**Article 226 of the Constitution of India**
Date of Filing	**14 July 2015**
Case Details	**The Petitioners were workmen of the Company who were dismissed on 7 February1974, by due process. The matter came up before Hon'ble High Court of Karnataka in WP 10100 of 1986, before which a joint memo was filed, after the contesting parties had arrived at a settlement. The matter was settled by Order dated 15 February 1996, of the High Court. However, claiming pension under the Pension Scheme of 1995, the petitioners have once again sought remedy from Karnataka High Court, vide Writ Petition No. 29221/2015.** **The Company is contesting the Writ Petition. The matter was listed last on 25 July 2019 but was adjourned. The matter has been transferred to the Dharwad Bench of Karnataka High Court.**
Status	**Pending**
Amount Involved	**Not ascertained**

vii. ***The Sandur Manganese & Iron Ores Limited (SMIORE) Vs. Employees Provident Fund Organisation***

Court/Authority	**Hon'ble High Court of Karnataka, Writ Petition (WP) 52475/2019 (KAHC010527442019)**
Section Code	**Article 226 of the Constitution of India**
Date of Filing	**13 December 2019**
Case Details	**In this case, M/s K Shashi Contractor (KSS) was issued certain work orders by Euro Industrial Enterprises Private Limited (to whom the Company had issued a set of work orders).** **Vide order dated 3 August 2018, bearing No. KN/BLR/ENF/28083/594/2017-18 the PF department held KSS liable to pay the dues for the period between April 2008 and July 2015 amounting to Rs. 47,81,170/- along with interest and penal damages under Section 7Q & 14B of the EPF& MP, 1952 Act. On failure of KSS to do so, the PF Dept. vide communication dated 29 November 2018 bearing No. KN/SRO/BLR/ENF/28083/2018-19/858 informed the Company that it being the "Principal Employer" was liable to pay the said amount. However, no contract or work order was issued by the Company to KSS.** **Vide communication dated 13 September 2019 (received on 21 September 2019), department has referred to the proceedings under Section 7A, dated 3 August 2018, and informed SMIORE that it being "Principal Employer" ought to secure the compliance of the dues payable by the Contractor, failing which SMIORE would be treated as the defaulting employer and that steps would be taken against the Company. The department has issued an Order of Attachment, dated 8 November 2019, to SMIORE wherein the department has and directed & demanded from Company's banker a sum of Rs.48,13,596/-.** **The Company has filed a Writ Petition, inter alia praying for quashing of the Order of Attachment under Section 7Q & 14B of the EPF & MP Act, 1952 and quash the proceedings and the connected communications and for refund of the amount appropriated by the department.**
Status	**Pending**
Amount Involved	**Not ascertained**

Viii. ***Service Tax Royalty case***

Court/Authority	**Writ Petition 18515/2018 before High Court of Karnataka at Bengaluru, on 26 April 2018.**
Section Code	**Entry 61 inserted by Notification No.22/2016**
Date of Filing	**26 April 2018**
Case Details	**There have been persistent demands for payment of service tax on royalty for the period between April 2016 and June 2017 Vide notification 25/2012-ST dated 20-06-2012. SMIORE has filed Writ Petition 18515/2018 before High Court of Karnataka at Bengaluru, on 26-04-2018. Vide order dated 4-07-2018, the Hon'ble High Court was pleased to grant interim order and stay the demand of any service tax on royalty. The matter was listed before Green Bench on 26-08-2019, but was adjourned to 21-10-2019, due to pendency of similar matter before Hon'ble Supreme Court. The matter was again adjourned on 21-10-2019 to 25-11-2019. The matter has been periodically adjourned due to Covid Pandemic.** **The Company has received Show Cause Notice dated 11 June 2020 (received on 25 June 2020) directing the Company to show cause to the Principal Commissioner/ Commissioner of Central Taxes, Belagavi GST Commissionerate, No.71, Club Road, Belagavi – 590 001, the adjudicating authority on different matter. The adjudicating authority has been requested to restrain from passing any adverse order till the matter is decided by the Hon'ble High Court of Karnataka.**
Status	**Pending**
Amount Involved (₹)	**Not assessible**

(b) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations involving issues of moral turpitude or criminal liability neither arises in the preceding last ten years.

(c) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations involving material violations of statutory regulations neither arises in the preceding last ten years.

(d) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations /proceedings relating to economic offences neither arises in the preceding last ten years.

(e) Penalties imposed by regulatory authorities for violations in the past:
There are no penalties imposed by regulatory authorities for violations in the past.

2. FILED BY THE COMPANY

(a) Pending matters, which, if they result in an adverse outcome, would not materially and adversely affect the operations or the financial position of the Company:

i. The Sandur Manganese & Iron Ores Limited Vs. Tecpro Systems Ltd.

Court/Authority	**Arbitration & Conciliation Centre, Bangalore, Karnataka, Justice Hinchgeri**
Section Code	**Arbitration & Conciliation Act, 1996, Insolvency & Bankruptcy Code, 2016**
Date of Filing	**16 March 2015**
Case Details	**The Company initiated arbitration proceeding against Tecpro Group, the Chennai based EPC contractor before the Indian Council of Arbitration (ICA), New Delhi for abandoning the implementation of the 32 MW coal based captive thermal power plant of the Company as per contract.**

	The ICA closed the file on 9 September 2014 stating inability to proceed with arbitration on account of Tecpro's refusal to pay its share of fees and also returned the deposit paid by the Company. The Company then filed a petition on 16 March 2015, under Section 11(6) of the Arbitration and Conciliation Act, 1996, before the Hon'ble High Court of Karnataka praying for appointment of an arbitrator for resolution of the dispute. The court has appointed Justice Hinchgeri, former Judge of High Court as Arbitrator in this matter. The company filed a Statement of Claim as per the directions on 26 December 2017. Subsequently, a communication was received by the company stating that NCLT has vide Order dated 7 August 2017 directed a moratorium against Tecpro Systems Limited, the primary contractor against whom the main claim lies. **As the orders from NCLT is only in respect of Tecpro Systems Limited, it was not clear whether the arbitration proceedings against the other two companies namely Tecpro Infrastructures Pvt. Ltd. and Tecpro Engineers Pvt. Ltd. to be continued or not. After discussion with Director (Projects), three claims were filed against the three companies concurrently. Tecpro submitted its inability to pay its fees. Later, it was found that liquidation proceeding had been initiated against Tecpro Systems. Company was directed to intimate the liquidator and the matter was posted for evidence (represented by A.G. Suresh), when the matter was adjourned due to pandemic.** **The subject Arbitration matter was posted for arguments, however, the Arbitrator received a communication from Tecpron Systems Limited that the liquidation order passed by NCLT (as upheld on appeal by NCLAT) has been stayed by the Supreme Court, vide order dated 9 October 2020. The Hon'ble Court granted time to Tecpro to deposit Rs.50 Cr. to show that there is possibility of revival through resolution process.** **Arbitrator has given two weeks time to Tecpro to file its defence statement and has directed the respondent Tecpro to deposit its share of the arbitrator fees, being Rs. 6 lakh (which has been paid by the SMIORE) and also pay Rs.20,000/- as costs to SMIORE, for causing the notable delay/inconvenience.** **The Supreme Court, vide Order dated 1 March2021 reinstated the Liquidator in terms of the orders of NCLT and NCLAT. Since, then the arbitration proceedings continued from where the status as existing prior to the order of the Supreme Court dated 25 November2020. Arguments have been heard on behalf of SMIORE.**
Status	**Matter is reserved for orders.**
Amount Involved	**Not ascertained till date**

ii. The Sandur Manganese & Iron Ores Limited (SMIORE) Vs. State of Karnataka

Court/Authority	**Hon'ble Supreme Court of India, Writ Petition 31148/2008**
Section Code	**Article 32 of the Constitution of India, Civil Procedure Code, 1908 (CPC)**
Date of Filing	**25 October 2008**
Case Details	**Office of the Deputy Conservator of Forests, Bellary vide letter dated 12 September 2008 demanded payment of Forest Development Tax (FDT) on the sale of manganese & iron ores with effect from 27 August 2008. The Company filed the Writ Petition, challenging the demand and also praying for stay order.** **The Hon'ble High Court of Karnataka allowed the Petition filed by the Company vide Judgement dated 3 December 2015 and quashed the notification dated 16 August2008 and directed that no FDT be demanded from the Mining lease holders and FDT already collected prior to e-auction be refunded to the Lease holders and the FDT collected during the e-auction be refunded to bidders / buyers of ore within a period of 3 months from the receipt of judgement.** **The State of Karnataka filed Special Leave Petition (Civil) No. 6219-6313/2016 before the Hon'ble Supreme Court of India challenging the Order dated 3 - December 2015 of the Hon'ble High Court of Karnataka. The matter was listed for the first time on 14 March2016, wherein the Hon'ble Supreme Court extended the period to refund the FDT by one month. Subsequently, an order dated 12 April2016 granted stay of the refund till the disposal of the matter.** **In the meanwhile, SMIORE has also filed Special Leave Petition (Civil) No.10671/2016 before the Hon'ble Supreme Court of India challenging the Order dated 3 December 2015 of the Hon'ble High Court of Karnataka to the extent of**

	points that were held against the Petitioners. Both the SLPs filed by State of Karnataka and SMIORE have been admitted and have been allotted Civil Appeal Nos. 3974-4068/2016 and 4069/2016 respectively. **While the said matters are pending before the Hon'ble Supreme Court, the Government of Karnataka vide notification dated 27 July 2016, made amendments to the provisions of the Karnataka Forest Act, 1963. To protect the interest of the Company, SMIORE challenged the validity of the Karnataka Forest (Amendment) Act, 2016, before the Hon'ble Supreme Court, in Writ Petition (C) No.708/2016. The matter was listed once, and notice was issued.** **Meanwhile, other lease holders and purchasers have approached the Hon'ble High Court of Karnataka, challenging the validity of the Karnataka Forest (Amendment) Act 2016. The Writ Petitions challenging the above Amendment have been allowed by High Court of Karnataka vide Judgment dated 04 October 2017. The Amendment Act has been held unconstitutional. State has preferred appeal against the Judgment of the High Court.** **The Government of Karnataka has filed an affidavit containing inter alia, figures relating to expenditure of FDF. SMIORE has filed counter to this affidavit dated 19 March 2022. SMIORE has also filed rejoinder. Matter was last adjourned on 28 April 2022.**
Status	**Pending**
Amount Involved (₹)	**Not ascertained**

(b) Litigations involving tax matters:

The litigations involving tax matters are lesser than the materiality threshold limit as per Materiality Policy of the Company and hence not disclosed in this letter of Offer.

(c) Litigation involving issues of moral turpitude or criminal liability, which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations involving issues of moral turpitude or criminal liability neither arises in the preceding last ten years.

(d) Litigation involving material violations of statutory regulations which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations involving material violations of statutory regulations neither arises in the preceding last ten years.

(e) Litigation involving proceedings relating to economic offences, which are currently pending or have arisen in the preceding last ten years:
There are no pending litigations /proceedings relating to economic offences neither arises in the preceding last ten years.

C. LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

There are no pending litigations /proceedings involving our Directors, Promoters and Promoter Group.

D. LITIGATIONS INVOLVING OUR SUBSIDIARY COMPANY

There are no pending litigations /proceedings involving our Subsidiary Company.

2. LITIGATIONS FILED BY OUR SUBSIDIARY COMPANY

There are no pending litigations/ proceedings nor any litigation filed by our Subsidiary Company.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS / FRAUDULENT BORROWERS

Neither the Company nor our Promoter or any of our directors are or have been categorized as a willful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2022.
Refer Page No 136

GOVERNMENT APPROVALS

The Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses for conducting our business operations. The requirement for approvals may vary based on various factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating.

Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. the Company has obtained all material consents, licenses, permissions and approvals from government and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Letter of Offer, there are no pending material Government and Regulatory approvals required for the Company to conduct our existing business and operations and objects of the Issue.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on April 10, 2022 under Section 62 of the Companies Act 2013 wherein our Board has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 18,00,38,820/- at an Issue Price of ₹ 10/- per Rights Equity Share in the ratio of 2 (Two) Rights Equity Share for every 1 (One) Equity Shares, as held on the Record Date.

2. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated 6 July,2022.

3. The Letter of Offer has been approved by our Board pursuant to its resolution dated 21 July 2022.

4. The Company has received In-principle approval from BSE (being the Designated Stock Exchange) under regulation 28 of the SEBI Listing Regulation vide their letter dated 18 July 2022 for listing of Right Equity Shares to be allotted in the Issue.

5. The Company will also make applications to the BSE to obtain their trading approval for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.

6. The Company has been allotted the ISIN - INE149K20016 for the Rights Entitlements to be credited to the respective demat account of the Equity Shareholders of the Company. For details, see ***"Terms of the Issue"*** beginning on page 150 of this Letter of Offer.

Confirmation:

- The Company, our Promoters, Promoter Group, our Directors, person(s) in control of the promoter or the Company have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

- The Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

- None of our Directors are associated with the securities market in any manner and there has been no outstanding action initiated by the SEBI against the Directors.

Eligibility for the Issue:

In terms of Regulation 3 of SEBI ICDR regulation, in case of rights issue size is less than Rs. 50.00 (Fifty) Crore, the issuer shall prepare the letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

The Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of SEBI ICDR Regulations. the Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. The Company has been filing periodic reports, statements and information with the designated stock exchange in compliance with the listing agreements or SEBI Listing Regulations (to the extent applicable) for the last one year immediately preceding the date of this Letter of Offer;

2. The reports, statements and information referred to in paragraph (1) above are available on the website of BSE with nationwide trading terminals.

3. The Company has investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As the Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations:
The Company is in compliance with the conditions specified in Regulation 61 and 62 of the SEBI ICDR Regulations, to the extent applicable, details are mentioned as under:

- The Company, any of our Promoters, Promoter Group or our Directors are not debarred from accessing the capital market by SEBI.

- None of our promoters or Directors of the Company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.

- None of our Promoters or our Directors are declared as Fugitive Economic Offenders within the meaning of the Fugitive Economic Offenders Act, 2018.

- Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, the Company has made an application to BSE (designated stock exchange having nationwide terminal) for their in-principle approval and undertakes to make an application to BSE for listing and trading approval of the Rights Equity Shares to be issued pursuant to the Issue.

- All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.

- We will ensure compliance with the conditions specified in Regulation 62(2) of the SEBI ICDR Regulations, to the extent applicable.

- Neither the Company, nor our Promoters or our Directors, have been identified as a willful defaulter or fraudulent borrower by the RBI.

- The promoters or promoter group of the Company will not renounce their rights except to the extent of renunciation within the promoter group.

DISCLAIMER CLAUSE OF SEBI

In terms of Regulation 3 of SEBI ICDR Regulations, in case of Rights Issue size is less than ₹ 50.00 (Fifty) Crore, the SEBI ICDR Regulations shall not apply unless otherwise provided and the issuer shall prepare the letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

Since the Board of the Company has approved and passed resolution on April 10, 2022 to authorize the Board of Directors to raise the funds by way of Right Offering aggregating to ₹ 18,00,38,820/-, the draft Letter of Offer has not been filed with SEBI for their approval. Only the Letter of Offer will be filed with the SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR

THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER.

DISCLAIMER FROM THE COMPANY AND THE LEAD MANAGER

The Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented by the Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of the Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

The Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer with the SEBI/Stock Exchange.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in ***Bengaluru, Karnataka***, ***India*** only.

DISCLAIMER CLAUSE OF BSE (THE DESIGNATED STOCK EXCHANGE)

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of the Draft Letter of Offer, is as set out below :

"BSE Limited ("the Exchange") has given vide its letter dated July 18, 2022, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

LISTING

The Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

FILING

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rupees Fifty Crores.

The Draft Letter of Offer has been filed with BSE (the Designated Stock Exchange having nationwide terminal) for obtaining their in-principle approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, the Company will submit a copy of the Letter of Offer to the e-mail address: cfddil@sebi.gov.in.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations.

- ✓ We have been registered with the SEBI Complaints Redress System (SCORES) as required by SEBI and monitor the same on regular interval.
- ✓ The Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- ✓ The Company has appointed Bijan Kumar Dash, Company Secretary, as the Compliance Officer to redress complaints, if any.

Venture Capital and Corporate Investments Private Limited is Registrar to the Company. All investor grievances received by us have been handled by the Registrar in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of the Issue

The Company has appointed Venture Capital and Corporate Investments Private Limited ("**VCCIPL**") as Registrar to this Right issue.

The Company has also appointed Bijan Kumar Dash, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue.

Investors may contact the Registrar or our Company Secretary & Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. the Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to the Issue and of the Company Secretary and Compliance Officer are as follows:

Registrar to the Issue	Company Secretary & Compliance officer
Venture Capital and Corporate Investments Private Limited. 12-10-167, Bharat Nagar, Hyderabad-500018 **Telephone:** +91 4023818475/76 **Fax:** +91 40 23868024, **Email:**pvsrinivas@vccipl.com eskprasad@vccipl.com **Website:** www.vccipl.com **Investor Grievance Email Id:** investor.relations@vccipl.com **Contact Person:** E S K Prasad **SEBI Registration No:** INR000001203 **CIN No.:** U65993TG1986PTC006936	Bijan Kumar Dash **The Sandur Manganese & Iron Ores Limited** "SANDUR HOUSE', No.9 Bellary Road, Sadashivanagar, 560 080 Bengaluru-, Karnataka **Telephone:**+ 91 9448497985, +91 8041520176/80 **E-Mail Id:** investors@sandurgroup.com Website: www.sandurgroup.com

Status of outstanding investor complaints in relation to the Company

As on the date of this Letter of Offer, there were no outstanding investor complaints in relation to the Company.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. The Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA as disclosed in this section.

*Further, in accordance with Regulation 77A of the SEBI ICDR Regulations read with the January 22, 2020 – Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders who are holding Equity Shares in physical form and are desirous of subscribing to the Issue, are advised to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date. However, SEBI, pursuant to the May 6, 2020 – Rights Issue Circular and July 24, 2020 – Rights Issue Circular has stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the January 22, 2020 – Rights Issue Circular or are unable to communicate their demat account details to the Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their application subject to conditions. For more details, see "**Application by Eligible Equity Shareholders holding Equity Shares in physical form**" beginning on page no. 152 of this Letter of Offer.*

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of the Company, the provisions of the Companies Act, 2013, the FEMA Act 1999, the FEMA Rules, the SEBI ICDR Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by the Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Dispatch and availability of Issue materials:

In accordance with the SEBI ICDR Regulations and relevant SEBI circulars on Rights Issue, the Company will send, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid email address to the Company; (iii) through physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided by the Company to any existing Shareholder who have provided their Indian address and who makes a request in this regard.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or the Company, should visit www.vccipl.com. Investors can access this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- The Company at www.sandurgroup.com ;
- the Registrar at www.vccipl.com ;
- the Lead Manager at www.finshoregroup.com ;
- the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.vccipl.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (www.sandurgroup.com).

Further, the Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. The Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Process for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "Procedure for Application through the ASBA Process" below:

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see ***"Procedure for Application through the ASBA Process"*** beginning on page no. 160 of this Letter of Offer

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see ***"Grounds for Technical Rejection"*** beginning on page 167 of this Letter of Offer. The Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ***"Application on Plain Paper under ASBA process"*** beginning from page 162.

Credit of Rights Entitlements in demat account of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, the Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "SMIORE Unclaimed Rights Entitlement Suspense Account") opened by the Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with the Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity

Shareholders holding Equity Shares in physical form as on Record Date where details of demat account are not provided by Eligible Equity Shareholders to the Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Application by Eligible Equity Shareholders holding Equity Shares in physical form and Shareholders whose Equity Shares transferred to IEPF:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date / Shareholders whose equity shares transferred to IEPF and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat account at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form as on record date and whose equity shares transferred to IEPF, and whose demat account details are not available with the Company or Registrar, shall be credited in a demat suspense escrow account opened by the Company.

Accordingly, such resident Eligible Equity Shareholders / Shareholders whose equity shares transferred to IEPF are required to send a communication to the Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self- attested PAN and self-attested client master sheet of their demat account, details/records confirming the legal and beneficial ownership of their respective Equity shares transferred to IEPF enabling them to be an eligible shareholder, either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights entitlements in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"*** beginning from page 164.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" beginning on page 171.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled ***"Procedure for Application through the ASBA process"*** on pages 160 of this Letter of Offer.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.vccipl.com

b) Updation of Email address/ mobile number in the records maintained by the Registrar or our Company: www.vccipl.com

c) Updation of Indian address in the records maintained by the Registrar or our Company send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email investor.relations@vccipl.com, or by post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.

d) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: send a letter to the Registrar along with copy of self-attested PAN and self-attested client master sheet of their demat account by post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.

e) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible EquityShareholders: send a letter to the Registrar along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email investor.relations@vccipl.com , or by post, speed post, courier, or hand delivery so as to reach to the Registrar not later than two Working Days prior to the Issue Closing Date.

Renouncees
All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue
The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of the Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

Rights Entitlements
Eligible Equity Shareholders whose name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of the Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.vccipl.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (www.sandurgroup.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat account to the Company or to the Registrar, they are required to provide their demat account details to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat account on the website of the Registrar (www.vccipl.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat account.

The Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery, only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid email address to the Company; (iii) through physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided to any existing Shareholder who have provided their Indian address and who makes a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, the Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value
Each Rights Equity Share will have the face value of ₹10/-.

Issue Price
Each Rights Equity Share is being offered at a price of ₹10/- per Rights Equity Share in this issue. Investors will have to pay the entire offer price i.e., ₹10/- per Rights Equity Share at the time of Application.

The Issue Price for Rights Equity Shares has been arrived at by the Company prior to the determination of the Record Date.

Ranking of Equity Shares
The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Rights Entitlements Ratio
The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 new Equity Shares for every 1 Equity Share held by the Eligible Equity Shareholders as on the Record Date, which will be credited in the demat account of the Applicant after the Allotment.

Fractional Entitlements
The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 2 new Equity Shares for every 1 Equity Share held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored.

Process of Credit of Rights Entitlements in dematerialised account
In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, the Company shall credit the Rights Entitlements to (i) the demat account of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "SMIORE Unclaimed Rights Entitlement Suspense Account") opened by the Company, for the Eligible Equity Shareholders holding Equity Shares in physical form.

In this regard, the Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat account of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE149K20016 . The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by 24 August 2022 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date i.e., by 26 August 2022, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar, account is active to facilitate the aforementioned transfer.

Additionally, the Company will submit the details of the total Rights Entitlements credited to the demat account of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Renunciation of Rights Entitlements
This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see ***"Procedure for Renunciation of Rights Entitlements"*** on page 161.

In accordance with SEBI Circulars the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, ***will not be able to renounce their Rights Entitlements.***

Trading of the Rights Entitlements

In accordance with the SEBI January 22, 2020 - Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE149K20016. Prior to the Issue Opening Date, the Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from 8 August 2022 to 23 August 2022 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see ***"Procedure for Renunciation of Rights Entitlements – On Market Renunciation"*** and ***"Procedure for Renunciation of Rights Entitlements – Off Market Renunciation"*** on page 161 and 162 respectively.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

Each Rights Equity Share is being offered at a price of ₹10/- per Rights Equity Share for every 1 Rights Equity Share allotted in this Issue. Investors will have to pay the entire offer price i.e. ₹10/- per Rights Equity Share at the time of Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money blocked shall be unblocked. The un-blocking of ASBA funds shall be completed within such period as prescribed under the SEBI ICDR Regulations and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. In the event that there is a delay in unblocking of ASBA funds beyond such period as prescribed under applicable law, the Company shall pay the requisite interest at such rate as prescribed under applicable law.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. The Company has received in-principle approval from the BSE through letter bearing reference number DCS/RIGHT/JR/FIP/2425/2022-23 dated 18 July 2022. The Company will apply to the BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed on BSE (Scrip Code: 504918) under the ISIN: INE149K01016. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity of the Company and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case the Company fails to obtain listing or trading permission from the Stock Exchange, we shall unblock the respective ASBA Accounts, the entire monies blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not unblocked within four days after the Company becomes liable to repay it, the Company and every director of the Company who is an officer -in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group
For details of the intent and extent of subscription by our Promoter and the Promoter Group, see ***"Capital Structure - Intention and extent of participation by our Promoter and Promoter Group"*** on page 35.

Rights of holders of Rights Equity Shares of the Company
Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- The Rights Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.
- The right to receive dividend, if declared;
- The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of the Company and exercise voting powers in accordance with law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot
The Rights Equity Shares of the Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription
As per Regulation 86 of SEBI ICDR Regulations, the clause of minimum subscription will be applicable to the Company. If the Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, the Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Company will pay interest for the delayed period at the rate of 15% p.a. as prescribed under SEBI ICDR Regulations.

Joint Holders
Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. Application forms would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination
Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots
Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Notices
In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, the Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid e-mail address to the Company; (iii) through physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

The Letter of Offer will also be provided by the Company to any existing Shareholder who have provided their Indian address and who makes a request in this regard.

Further, the Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. However, the Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by the Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Kannada language daily newspaper with wide circulation (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the BSE for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or in part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

The Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to the Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, the Company, the Lead Manager and the Stock Exchanges. The Rights Issue Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of the Company and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and the Company by submitting their respective copies of self-attested proof of address, passport, etc. through email to.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see ***"Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form"*** on page 164.

The Lead Manager, the Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) through physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with the Company or the Eligible Equity Shareholders have not provided the valid email address to the Company; (iii) through physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither the Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit www.vccipl.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) the Company at www.sandurgroup.com;
(ii) the Registrar at www.vccipl.com;
(iii) the Lead Manager at www.finshoregroup.com;
(iv) the Stock Exchange at www.bseindia.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.vccipl.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (i.e. www.sandurgroup.com).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue on the basis the Rights Entitlements credited in their respective demat account or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "Grounds for Technical Rejection" on page 167. The Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar, Stock Exchanges, Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ***"Application on Plain Paper under ASBA process"*** on page 162.

Options available to the Eligible Equity Shareholders
The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process
Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks
For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue
Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ***"Application on Plain Paper under ASBA process"*** on page 162.

Additional Rights Equity Shares
Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 2 (Two) Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "Basis of Allotment" on page 171.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.
Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to the Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements
The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

The Lead Manager and the Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation
The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of the Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from 8 August 2022 to 23 August 2022 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN - INE149K20016 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. The plain paper Application format will be available on the website of the Registrar at www.vccipl.com

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being ***"THE SANDUR MANGANESE & IRON ORES LIMITED"***;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with the Company or the Depository);
- Registered Folio No./DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Rights Equity Shares entitled to;
- Total number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹10/- for each Rights Equity Shares issued;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

- In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States") except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act ("Regulation S"), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements." In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with the Company, the Lead Manager and the Registrar not having any liability to the Investor.

I/ We acknowledge that the Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date".

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form, does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, the Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by the Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form

only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or the Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with the Company or the Registrar, shall be credited in a demat suspense escrow account opened by the Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit www.vccipl.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat account after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:

- the Company at www.sandurgroup.com ;
- the Registrar at www.vccipl.com ;
- the Lead Manager at www.finshoregroup.com ;
- the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.vccipl.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of the Company (www.sandurgroup.com);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Further, such resident Eligible Equity Shareholder can:

- ✓ apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- ✓ apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- ✓ apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR THE COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE *"ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS"* ON PAGE 171.

General instructions for Investors

(a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
(b) Please read the instructions on the Application Form sent to you.
(c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
(d) Application should be made only through the ASBA facility.
(e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
(f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section ***"Application on Plain Paper under ASBA process"*** on page 162.

(g) An Investor participating in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(h) Application should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(i) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), the Company or the Registrar or the Lead Manager.

(j) Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat account for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(l) All payments will be accepted only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(o) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to the Company or the Registrar in case of Eligible Equity Shareholders holding Shares in physical form.

(p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be

submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(q) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(r) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

(t) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

Do's:

- Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.
- Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. The Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

- Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

- Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for Investors applying through ASBA:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.

- Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or the Company; instead submit the same to a Designated Branch of the SCSB only.

- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or the Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Application by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) appears to the Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and the Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Depository account and bank details for Investors holding Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account would be emailed to the address of the Investor as per the email address provided to the Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole

risk of the Investors and none of the Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment
All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors
All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors
As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, the Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

   The Letter of Offer will be provided by the Registrar on behalf of the Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to the Company or to their email addresses; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.
- In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
- In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
- Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
- In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
- Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications
In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see ***"Procedure for Applications by Mutual Funds"*** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications. In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is 29 August 2022, i.e., Issue Closing Date. The Board/the Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by The Board/ the Rights Issue Committee, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and The Board / the Rights Issue Committee shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, ***"Basis of Allotment"*** on page 171.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	**On or before opening of the Issue**
ISSUE OPENING DATE	**8 August 2022**
LAST DATE FOR ON MARKET RENUNCIATION*	**23 August 2022**
ISSUE CLOSING DATE	**29 August 2022**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**6 September 2022**
DATE OF ALLOTMENT (ON OR ABOUT)	**7 September 2022**
DATE OF CREDIT (ON OR ABOUT)	**8 September 2022**
DATE OF LISTING (ON OR ABOUT)	**13 September 2022**

Note: *The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While the Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the main board platforms of BSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE in accordance with the applicable laws.*

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. ***Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.***

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat account to the Company or to the Registrar, they are required to provide their demat account details to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., 24 August 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat account, at least one day before the Issue Closing Date.

For details, see "***General Information - Issue Schedule***" on page 31.

Our Board / The Rights Issue Committee may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by the Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

The Company will e-mail Allotment advice, refund intimations or demat credit of Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company and the Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to the Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Payment of Refund

Mode of making refunds
The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done by unblocking amounts blocked using ASBA facility.

Refund payment to non-residents
The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Shares
The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form
PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

(A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

(B)THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO THE COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

(C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of the Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of the Company). In case of Investors having various folios in the Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of the Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of the Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by the Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and the Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all the applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity

capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate the Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds
A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")
In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation
As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

Payment by Stockinvest
In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money
No acknowledgment will be issued for the Application Money received by the Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

The Board/ The Rights Issue Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.
In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, the Company and the Directors who are "officers in default" shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.
For further instructions, please read the Application Form carefully.

Undertakings by the Company
The Company undertakes the following:

- The complaints received in respect of the issue shall be attended to by the Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Right Equity Shares are to be listed are taken within the time limit specified by the SEBI.
- The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by the Company.
- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- Adequate arrangements shall be made to collect all ASBA applications

Utilisation of Issue Proceeds:
Our Board declares that:

A. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.

B. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and

C. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized monies have been invested.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed **"THE SANDUR MANGANESE & IRON ORES LIMITED – RIGHT ISSUE"** on the envelope and postmarked in India or in the email) to the Registrar at the following address:

Venture Capital and Corporate Investments Private Limited.
12-10-167, Bharat Nagar, Hyderabad – 500018, Telangana
Telephone: +91 40-23818475/76
Fax: +91 40 - 23868024,
Email: pvsrinivas@vccipl.com; eskprasad@vccipl.com
Website: www.vccipl.com
Investor Grievance Email Id: investor.relations@vccipl.com
Contact Person: E S K Prasad
SEBI Registration No: INR000001203
CIN: U65993TG1986PTC006936

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.vccipl.com).
This Issue will remain open for a minimum 7 days. However, the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the "automatic route", where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Policy") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board/ Right Issue Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. the Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

SECTION X: STATUTORY AND OTHER INFORMATION

A) Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

B) Material Contracts and Documents for Inspection

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by the Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issuer Agreement dated 6 July 2022 entered into among the Company and the Lead Manager.
2. RTA Agreement dated 6 July 2022 entered into among the Company and the Registrar to the Issue.
3. Escrow Agreement dated 21 July 2022 among the Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of the Company.
2. Certificate of Incorporation of the Company dated 18 January 1954 issued by Registrar of Joint Stock Companies, Mysore, in the name of The Sandur Manganese & Iron Ores Private Limited.
3. Subsequent fresh Certificate of Incorporation dated 28 November 1964 issued by Registrar of Companies, Mysore, Bangalore pursuant to change of name from The Sandur Manganese & Iron Ores Private Limited to The Sandur Manganese & Iron Ores Limited.
4. Resolution of the Board of Directors of the Company under section 62 of the Companies Act, 2013 dated 10 April 2022 authorizing the Issue.
5. Resolution of the Board dated 10 April 2022, approving the Rights Issue.
6. Resolution of our Board dated 6 July 2022 approving the Draft Letter of Offer.
7. Resolution of our Board dated 21 July 2022 approving this Letter of Offer.
8. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditors, Banker to the Issue, Lead Manager, Registrar to the Issue, to include their names in the Letter of Offer to act in their respective capacities.
9. Annual Reports of the Company for Fiscal Year 2021, 2020, 2019, 2018 and 2017.
10. The reports of the Statutory Auditors, in relation to the Audited Financial Results for the period ended 31 March 2022.
11. Statement of Tax Benefits from Statutory Auditor of the Company dated 6 July 2022.
12. In-principle listing approval dated 18 July 2022 from the BSE Limited.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We, hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. All the legal requirements connected with the issue as also the guidelines, instructions etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

We further certify that all the statements in this Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF THE COMPANY:

Name and Designation	Signature
Thoniparambil Raghavan Raghunandan *DIN: 03637265* *Designation: Chairman, Non-Executive Non-Independent Director*	**Sd/-**
Bahirji Ajai Ghorpade *DIN: 08452844* *Designation: Managing Director*	**Sd/-**
Seshagiri Sattiraju Rao *DIN:00150816* *Designation: Non-Executive Independent Director*	**Sd/-**
Gururaj Pandur Kundargi *DIN:02256516* *Designation: Non-Executive Independent Director*	**Sd/-**
Latha Pillai *DIN:08378473* *Designation: Non-Executive Independent Director*	**Sd/-**
Hemendra Laxmidas Shah *DIN:00996888* *Designation: Non-Executive Non-Independent Director*	**Sd/-**
Jagadish Rao Kote *DIN:00521065* *Designation: Non-Executive Independent Director*	**Sd/-**
Mohammed Abdul Saleem *DIN: 00061497* *Designation: Whole time Director*	**Sd/-**

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Sd/-

Bijan Kumar Dash

SIGNED BY THE CHIEF FINANCIAL OFFICER & CHIEF RISK OFFICER

Sd/-

Uttam Kumar Bhageria

Dated: 21 July 2022
Place: Bengaluru