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An ISO 9001, ISO 14001 & OHSAS 18001  
Certified Company



5<sup>th</sup> February, 2020

BSE Ltd  
The Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street - Mumbai 400 001

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai - 400051  
Fax. No: 022-26598237/38, 022-26598347/48

Security Code No. : **504614**

Symbol: **SARDAEN**

Series : **EQ**

Dear Sir,

Sub: Press Release and Corporate Presentation on the results for the third quarter 2019-20

With reference to the captioned subject, pursuant to Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we are enclosing herewith -

1. the press release
2. Corporate Presentation

on the Q3 FY 20 results of our Company.

The said Press Release and Corporate Presentation is also being placed on the website of the company - [www.seml.co.in](http://www.seml.co.in). The said presentation will also be shared with various Analysts / Investors.

You are requested to take the information on records and disseminate the same for the information of the investors. Please acknowledge receipt.

Thanking you,

Yours faithfully,  
For Sarda Energy & Minerals Ltd.

  
Authorised Signatory

Encl: As above

## Press Release

Mumbai

Sarda Energy & Minerals Limited (SEML) reports Consolidated and Standalone financial results for the Quarter ended 31<sup>st</sup>December 2019.

### Financial Performance:

INR Cr.	Standalone		Consolidated#	
	Q3FY20	Q3FY19	Q3FY20	Q3FY19
<b>Total Income</b>	377	457	472	622
<b>EBITDA</b>	91	118	97	155
<b>Profit before Tax</b>	69	96	56	112
<b>Profit after Tax</b>	56	65	43	77

*#One of the two ferro alloy furnaces at Vizag was under shutdown for repair work till end Nov 2019, impacted Revenue and EBITDA during Q3FY20. The furnace has since started normal operation.*

### Production and Sales (Consolidated):

Production:

Products	UOM	Quarter Ended					Year ended
		Q3FY20	Q2FY20	Q3FY19	Change %		
		A	B	C	QoQ	YoY (Qtr)	FY19
Iron Ore Pellet	'000 MT	158	162	171	-2%	-7%	600
Sponge Iron	'000 MT	84	93	76	-10%	10%	302
Steel Billet	'000 MT	48	43	36	11%	32%	157
Wire Rod	'000 MT	39	34	27	15%	47%	119
H.B Wire	'000 MT	6	5	3	19%	110%	21
Ferro Alloys	'000 MT	31	30	36	2%	-14%	145
Power (Thermal)	Mn Kwh	244.74	250.62	271.49	-2%	-10%	1,076.11
Power (Hydro)	Mn Kwh	37.35	49.65	15.84	-25%	136%	85.02

**Sales:**

Products	UOM	Quarter Ended					Year Ended
		Q3FY20	Q2FY20	Q3FY19	Change %		
		A	B	C	QoQ	YoY (Qtr)	FY19
Iron Ore Pellet	'000 MT	51	94	88	-46%	-43%	438
Sponge Iron	'000 MT	43	54	42	-21%	1%	148
Steel Billet	'000 MT	7	8	9	-9%	-21%	33
Wire Rod	'000 MT	32	29	24	12%	32%	97
H.B Wire	'000 MT	6	5	3	20%	111%	20
Ferro Alloys	'000 MT	29	32	30	-10%	-5%	139
Power (Thermal)	Mn Kwh	25.29	37.52	53.99	-33%	-53%	172.98
Power (Hydro)	Mn Kwh	37.35	49.65	15.84	-25%	136%	85.02

*Note: A part of all Production is captively consumed for production of downstream product*

**About Sarda Energy & Minerals Ltd:**

Sarda Energy & Minerals Limited (SEML), incorporated in 1973, is an integrated steel producer of long steel products having steel manufacturing facility at Raipur, Chhattisgarh. It is also leading producer and exporter of ferro alloys with manufacturing facility at Raipur & Vizag. It also has interests in hydro power sector through SPVs.

*Disclaimer: The operating and financial review in this press release is intended to convey the Management's perspective on the financial and operating performance of the Company for the Q3FY20. Future outlook may include forward looking statements within the meaning of applicable security laws and regulations. Actual performance of the company may materially differ from the views expressed, implied or inferred due to various factors affecting the environment in which the company operates. This should not be considered as complete information for any decision making.*

To know more, visit [www.seml.co.in](http://www.seml.co.in) |

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**MINING**



**STEEL**



**FERRO-ALLOYS**



**HYDRO**



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**Result Presentation | Q3 FY20**

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# Safe Harbour Statement

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This presentation and the accompanying slides (the “Presentation”), which have been prepared by Sarda Energy & Minerals Ltd (the “Company”) solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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

# Agenda

- 1 **Q3 & 9M FY20 : Result Highlights**
- 2 **SEML – Consistent & Disciplined Growth**
- 3 **Strategic Priorities**
- 4 **Annual Financial Highlights**





## **Q3 & 9M FY20 : Result Highlights**

# Profitability Highlights - Consolidated

INR in Cr	Q3FY20	Q3FY19	YoY	Q2FY20	QoQ	9MFY20	9MFY19	YoY
Revenues	456	614		550		1,562	1,828	
Other Income	15	8		11		37	-8	
<b>Total Income</b>	<b>472</b>	<b>622</b>	<b>-24%</b>	<b>561</b>	<b>-16%</b>	<b>1,599</b>	<b>1,820</b>	<b>-12%</b>
Raw Material	297	396		372		1020	1167	
Employee Expenses	23	21		22		69	61	
Other Operating Expenses	55	51		68		193	198	
<b>EBITDA</b>	<b>97</b>	<b>155</b>	<b>-37%</b>	<b>99</b>	<b>-2%</b>	<b>316</b>	<b>393</b>	<b>-20%</b>
<i>EBITDA Margin (%)</i>	<b>21%</b>	<b>25%</b>		<b>18%</b>		<b>20%</b>	<b>22%</b>	
Depreciation	20	19		20		58	57	
Interest	21	24		18		62	74	
<b>Profit Before Tax</b>	<b>56</b>	<b>112</b>	<b>-49%</b>	<b>62</b>	<b>-9%</b>	<b>196</b>	<b>262</b>	<b>-25%</b>
Exceptional Item	0	0		0		0	0	
Tax	13	34		-10		31	100	
<b>PAT</b>	<b>43</b>	<b>77</b>	<b>-44%</b>	<b>71</b>	<b>-40%</b>	<b>165</b>	<b>162</b>	<b>2%</b>
<i>PAT Margin (%)</i>	<b>9%</b>	<b>12%</b>		<b>13%</b>		<b>10%</b>	<b>9%</b>	
<b>EPS</b>	<b>11.72</b>	<b>21.44</b>	<b>-45%</b>	<b>19.12</b>	<b>-39%</b>	<b>43.99</b>	<b>43.40</b>	<b>1%</b>

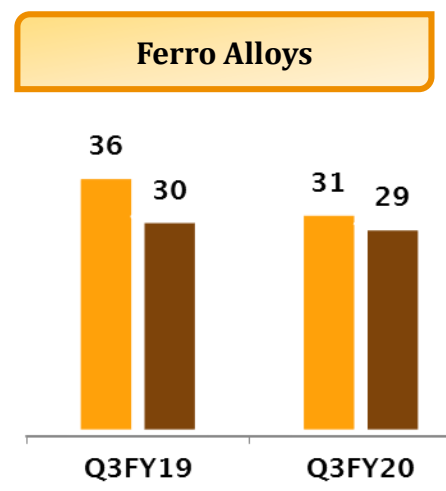
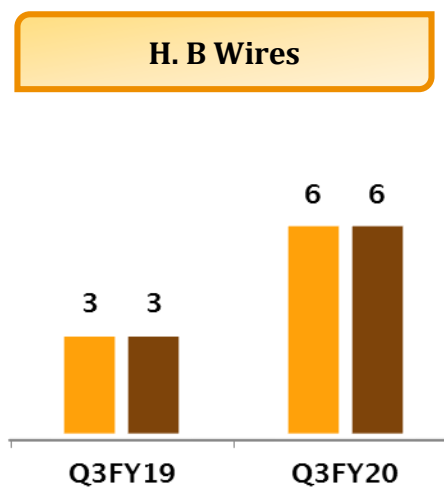
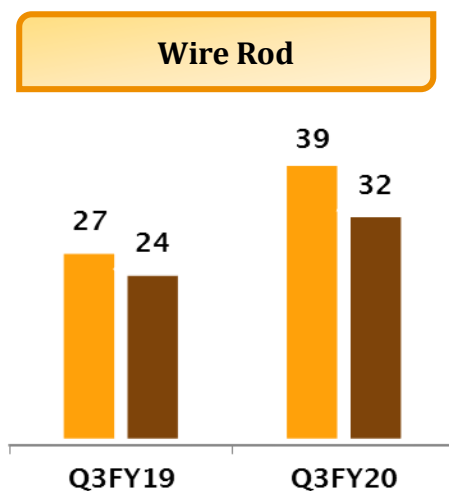
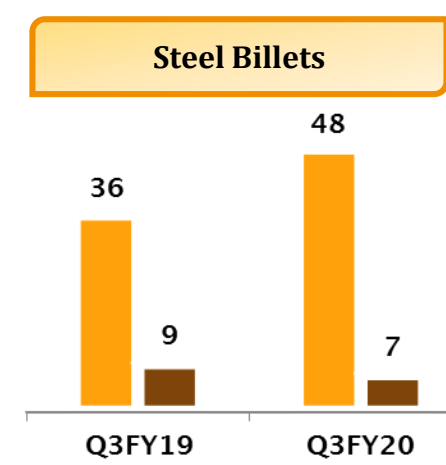
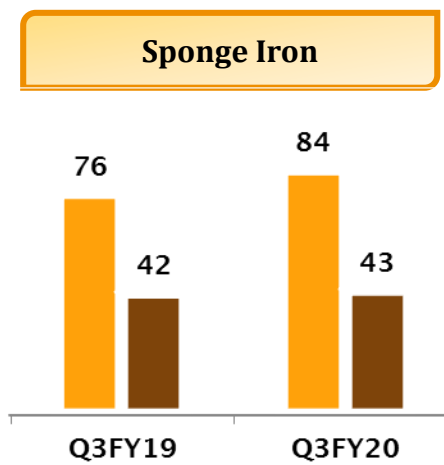
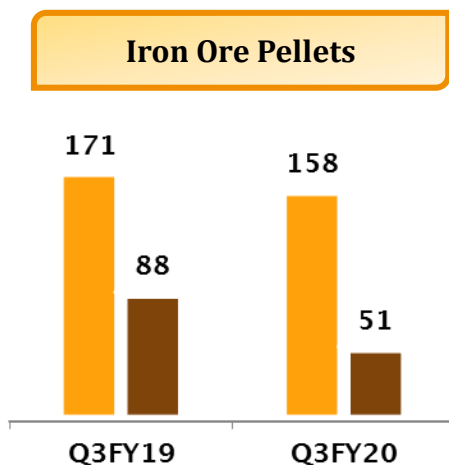
*Planned shutdown of Vizag plant during Q3FY20 impacted the Revenue and EBITDA, same has resumed normal operation since end Nov 2019*



# Profitability Highlights - Standalone

INR in Cr	Q3FY20	Q3FY19	YoY	Q2FY20	QoQ	9MFY20	9MFY19	YoY
Revenues	342	442		381		1143	1303	
Other Income	36	15		26		69	15	
<b>Total Income</b>	<b>377</b>	<b>457</b>	<b>-17%</b>	<b>407</b>	<b>-7%</b>	<b>1213</b>	<b>1318</b>	<b>-8%</b>
Raw Material	229	282		267		750	801	
Employee Expenses	18	16		17		55	47	
Other Operating Expenses	39	41		47		139	137	
<b>EBITDA</b>	<b>91</b>	<b>118</b>	<b>-23%</b>	<b>76</b>	<b>20%</b>	<b>269</b>	<b>332</b>	<b>-19%</b>
<i>EBITDA Margin (%)</i>	<b>24%</b>	<b>26%</b>		<b>19%</b>		<b>22%</b>	<b>25%</b>	
Depreciation	13	12		13		39	38	
Interest	9	9		9		26	27	
<b>Profit Before Tax</b>	<b>69</b>	<b>96</b>	<b>-28%</b>	<b>55</b>	<b>26%</b>	<b>204</b>	<b>268</b>	<b>-24%</b>
Exceptional Item	0	0		0		0	0	
Tax	13	31		-14		27	91	
<b>PAT</b>	<b>56</b>	<b>65</b>	<b>-14%</b>	<b>68</b>	<b>-18%</b>	<b>177</b>	<b>177</b>	<b>0%</b>
<i>PAT Margin (%)</i>	<b>15%</b>	<b>14%</b>		<b>17%</b>		<b>15%</b>	<b>13%</b>	
<b>EPS</b>	<b>15.61</b>	<b>18.16</b>	<b>-14%</b>	<b>18.94</b>	<b>-18%</b>	<b>49.12</b>	<b>49.09</b>	<b>0%</b>

# Operating Performance (Volumes)

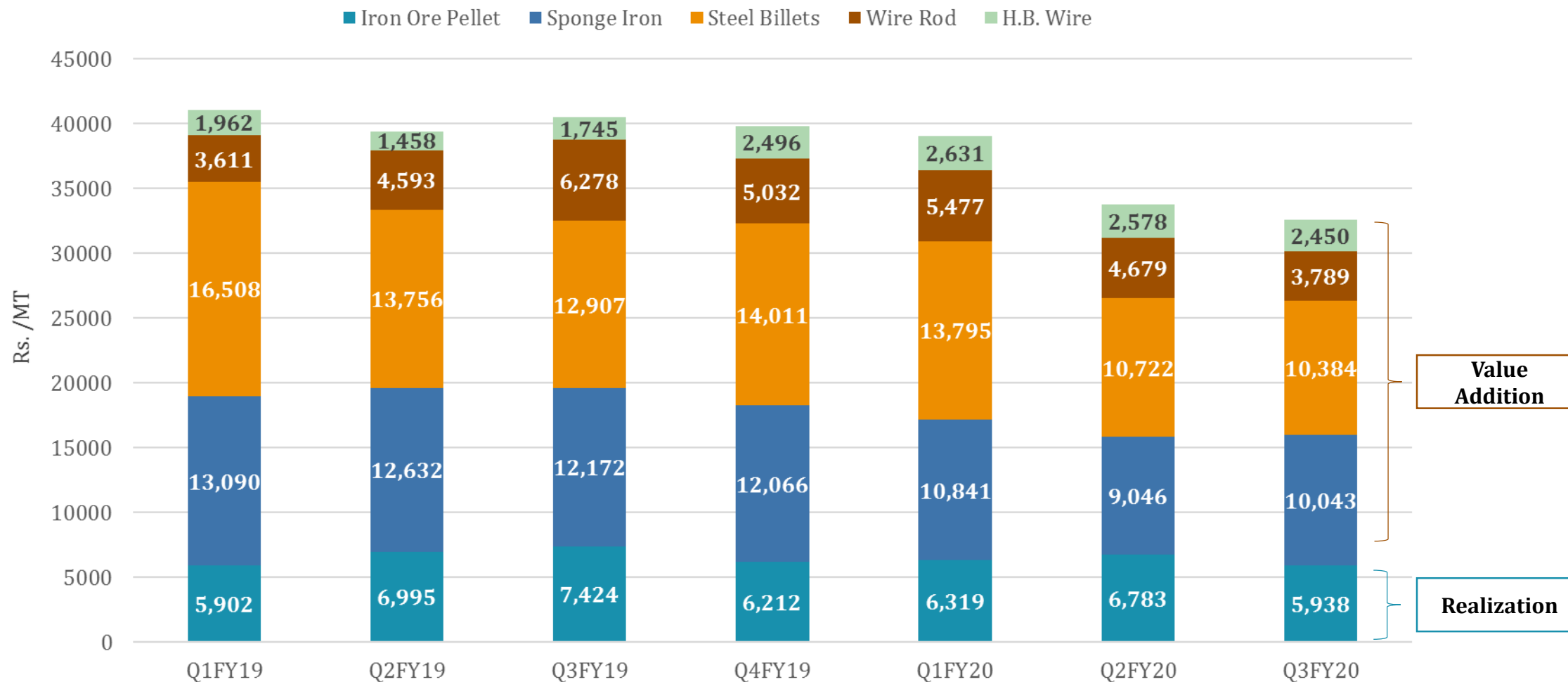


Note: A part of all production is captively consumed for production of downstream products

Production Sales

All Fig. in '000 MT unless specified

# Steel Business: Product wise Incremental Realization



# Sikkim Hydro Project nearing completion



**COMPLETE VIEW OF BARRAGE SERVICE,  
UNDER-SLUCICE GATE**



**COMPLETE VIEW OF DESILTING BASIN INLET  
SERVICE, STOPLOG AND TRASH RACK**



**HEAD RACE TUNNEL COMPLETED**



**60/ 75 MVA GENERATOR TRANSFORMERS  
ERECTION COMPLETED**



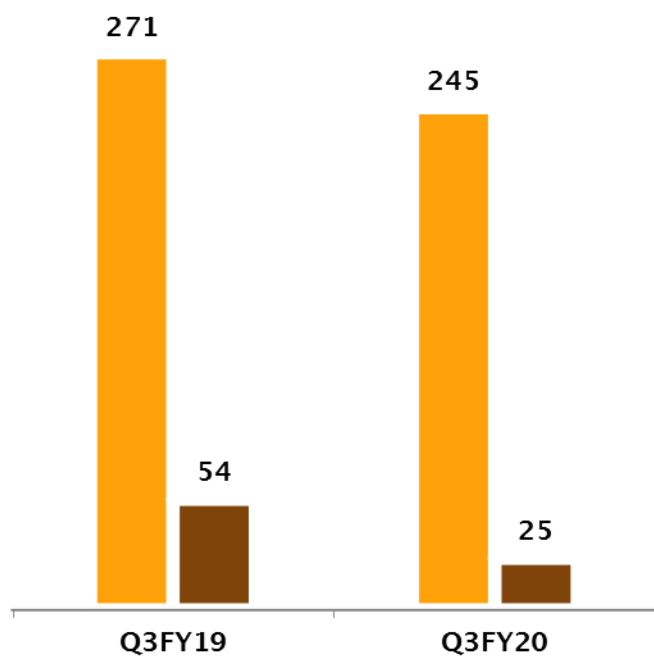
**STRINGING WORK IN 220KV TRANSMISSION LINE  
5.7KM COMPLETED**



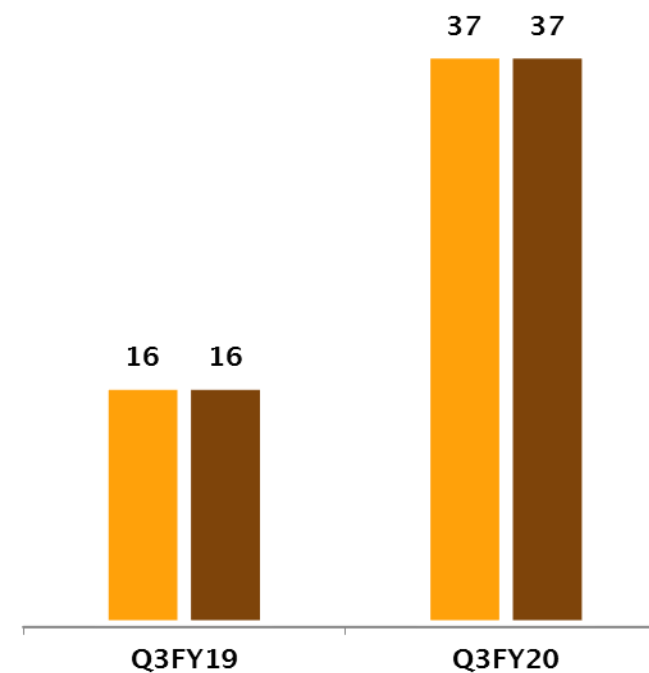
**220KV GIS INDOOR ERECTION AT PGCIL  
COMPLETED**

# Quarterly Generation & Sales - Power Business

Power (Thermal)



Power (Hydro)

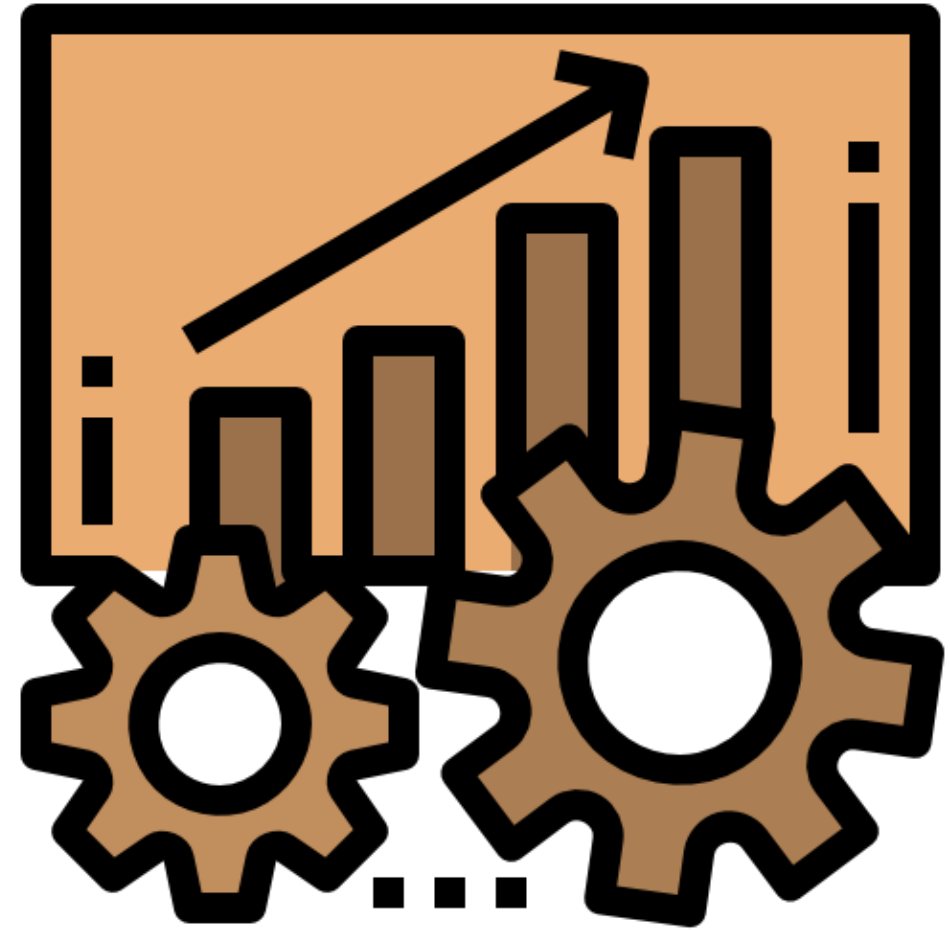


Thermal Power (Captive) Capacity : 162 MW

All Fig. in Mn kWh unless specified

One Power unit under shutdown at Raipur in Q3FY20, affected Thermal Power generation, normal operations resumed from end Nov 2019

Generation Sales



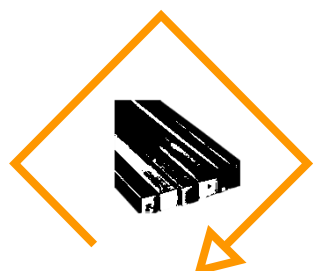
**SEML – Consistent & Disciplined Growth**

# SEML at a Glance (FY19)

## Steel Business



Pellet Production  
**6 Lac MT**



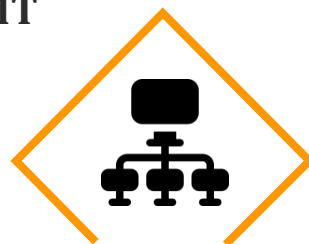
Billet Production  
**1.56 Lac MT**



Wire Rod Production  
**1.18 Lac MT**

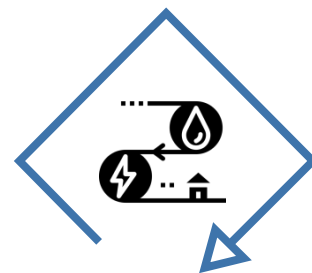


Ferro Alloys Production  
**1.49 Lac MT**

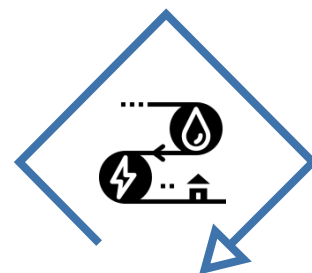


Iron Ore Reserves  
**20 Mn T**

## Hydro Power



Operational Capacity  
**28.8 MW**



Capacity Under Execution  
**120 MW**

## Financials



Revenue  
**INR 2,217 Cr**



PAT  
**INR 207 Cr**

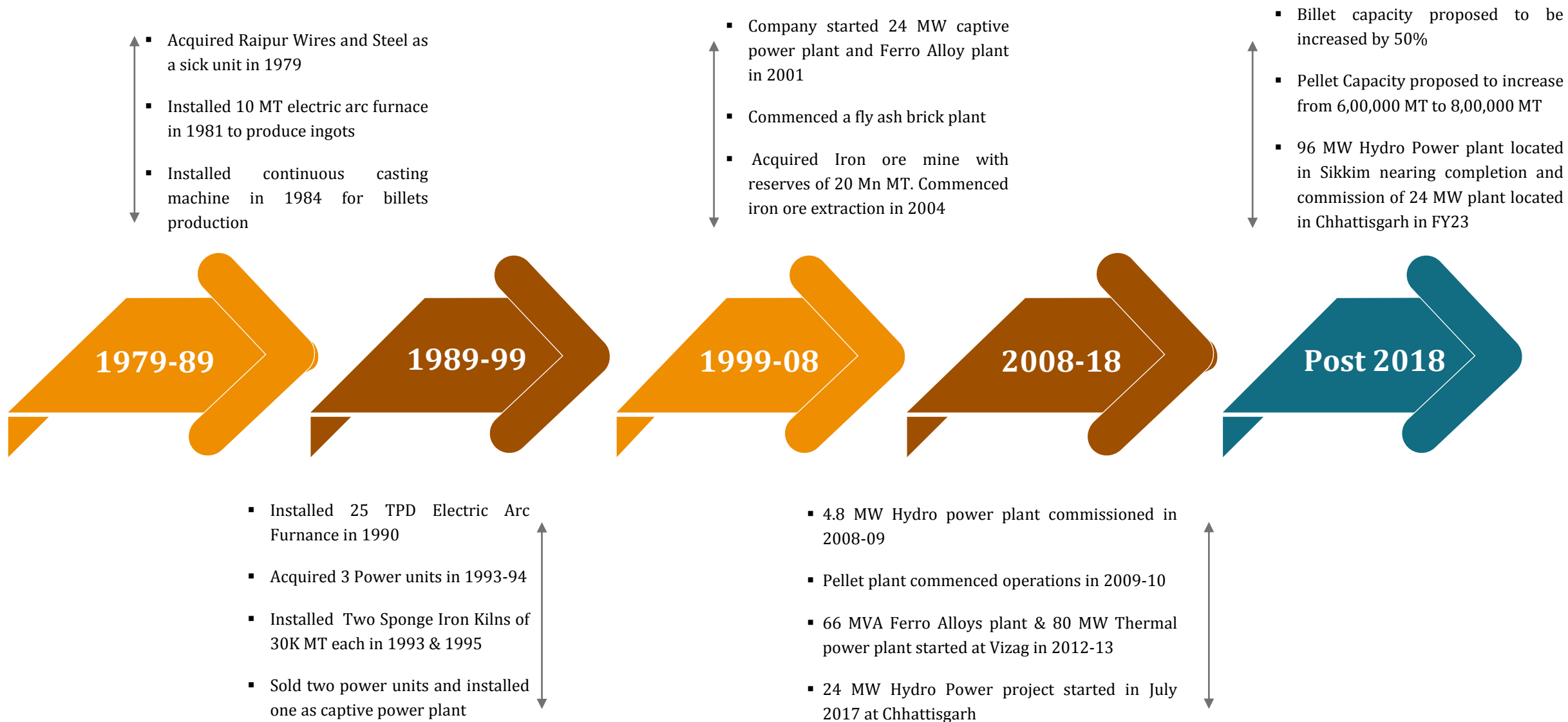


EBITDA  
**INR 499 Cr**



Dividend Per Share  
**INR 5/Share**

# Sarda's Transformation Journey...





# ...Under Strong Leadership



**Kamal Kishore Sarma**

CMD

- Mechanical Engineer with 44 years experience in Iron and Steel Industry
- Responsible for steering SEML towards the path of growth



**Pankaj Sarma**

Joint MD

- MS in Industrial Administration from Purdue University, USA
- Industry experience of more than 12 years



**Padam Kumar Jain**

Director & CFO

- CA, CS with a rich experience of 33 years
- Looks after accounting, finance, taxation, costing and corporate laws



**Manish Sarma**

Director

- MBA in International Business with 25 years of experience in Iron and Steel Industry
- Presently focused on overall development of the Ferro alloys segment
- Chairman of Indian Ferro Alloy Producers' Association

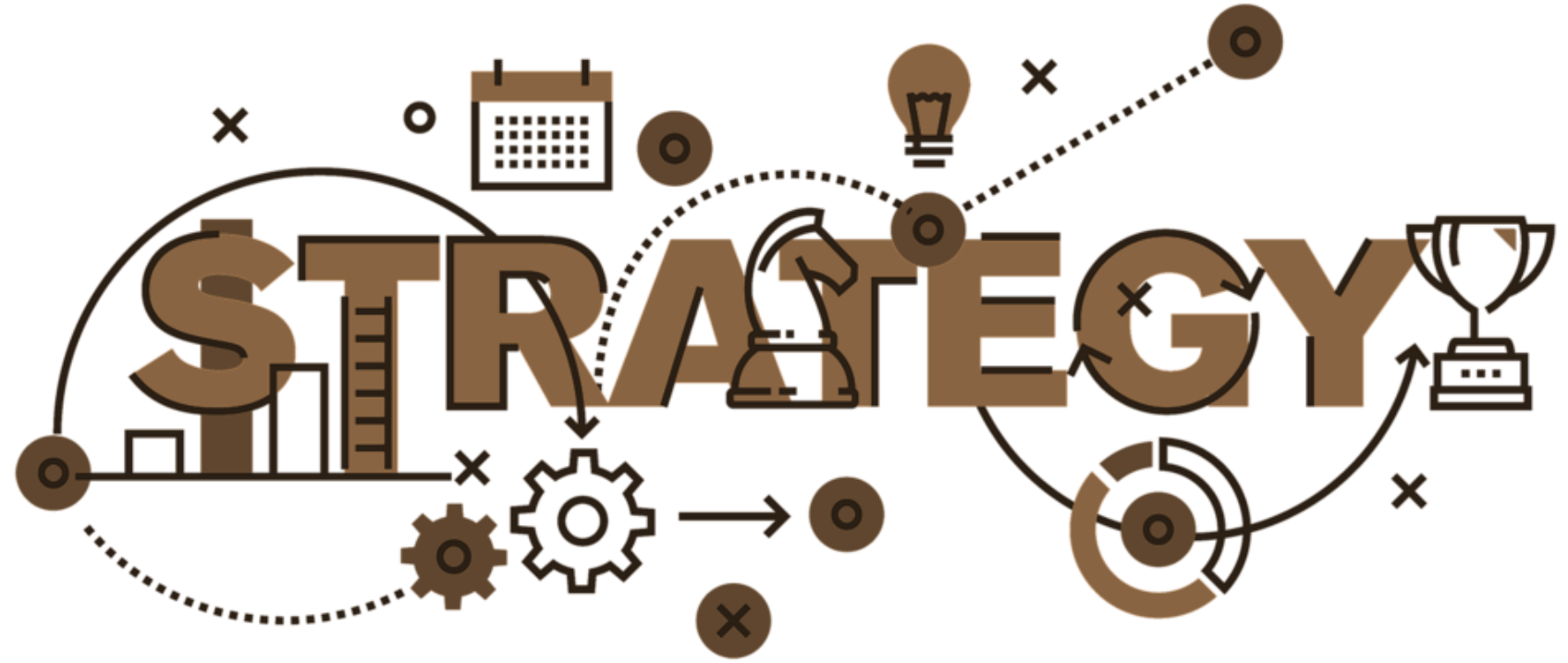


**Neeraj Sarma**

Director

- MBA in Finance & Marketing with more than 15 years of experience in Iron & Steel Industry
- Second generation entrepreneur, presently Deputy Managing Director of Sarma Metals & Alloys Ltd





**Strategic Priorities**

# Strategic Priorities



1

## **Vertically Integrated Steel Player**

**Better Control / Lower Cost of Production**

2

## **Hydro Business Expansion**

**Visibility of incremental Stable Cashflow**

3

## **Disciplined Growth**

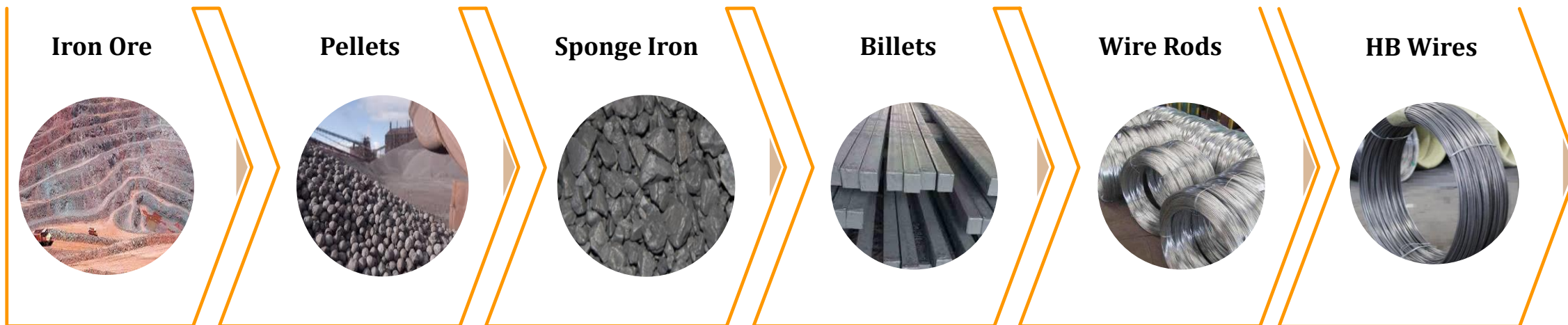
**Consistently improving Balance Sheet Strength**

4

## **Health, Safety & Social Responsibility**

**Focus on overall well-being of the people**

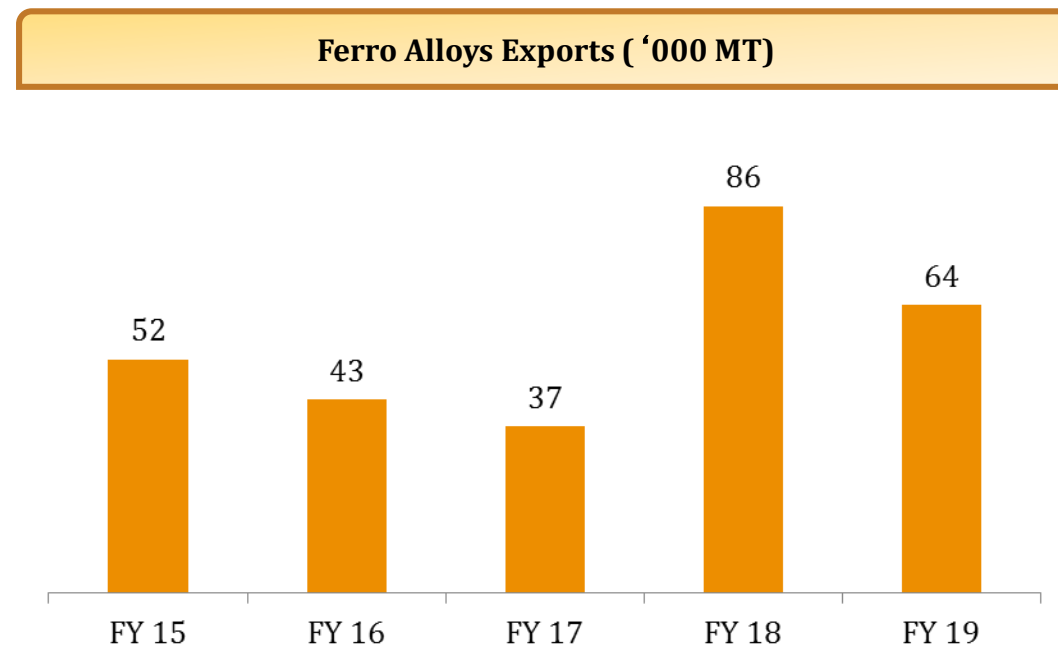
# Vertically Integrated Steel Player...



<b>Description</b>	140 km near SEML Plant, Siltara	Produced from Iron Ore fines & sold domestically	Produced from captive Iron Ore Lumps & Pellets	Semi finished steel product produced by continuous casting process	Hot rolled product made from direct hot billet charging	HB Wires- Wire rods are cold drawn to HB wires to sizes
<b>Current Capacity</b>	Production run rate of 500,000 MT with mine life of 30 years	6,00,000 MT	3,60,000 MT	2,00,000 MT	1,80,000 MT	30,000 MT
<b>Captive Consumption (%)</b>	100%	35%	50%	80%	15%	NA
<b>Expansion</b>	<ul style="list-style-type: none"> <li>Mines allotted in Chhattisgarh with 240 Mn Tonnes of reserves</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of capacity to 8,00,000 MT</li> </ul>	<ul style="list-style-type: none"> <li>Preferred Route of Steel making</li> <li>Thermal Coal sourced locally</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of capacity to 3,00,000 MT</li> <li>Well positioned back with complete integration</li> </ul>	<ul style="list-style-type: none"> <li>Increase in Billet production lead to rise in wire rods production</li> </ul>	NA

# ... presence in Ferro Alloys

- Two operational plants located at Raipur and Vizag with a total installed capacity of 111 MVA
- Manufactures manganese based Ferro Alloys sold domestically as well exported to other countries
- Leading exporter of the Ferro Alloys
- **Exports Awards:**
  - ✓ SMAL received prestigious export promotion council award in 2018
  - ✓ SEML & subsidiary received Two-Star export house status from Government of India



# Hydro Power Expansion...

## Operational Capacity

### Uttarakhand

**4.8 MW**

**Operational since 2008**

Debt free operation & operated at 45.42% PLF during FY14-17

PPA signed at **INR 3.85** per unit with the state discoms for 35 years

Average units sold stand at 19.33 mn on a yearly basis

### Chhattisgarh

**24.9 MW**

**Operational since 2017**

Expected long term PLF to be around 40-45%

PPA signed at **INR 5.22** per unit with state discoms for 35 years

Plant generating free cashflow from first year of operation

## Under Execution

### Sikkim

**96 MW**

**To be commissioned in 1QFY21**

Large hydro projects of over 25 MW capacity classified as renewable power

Major Project works completed with Project nearing completion

### Chhattisgarh

**24.9 MW**

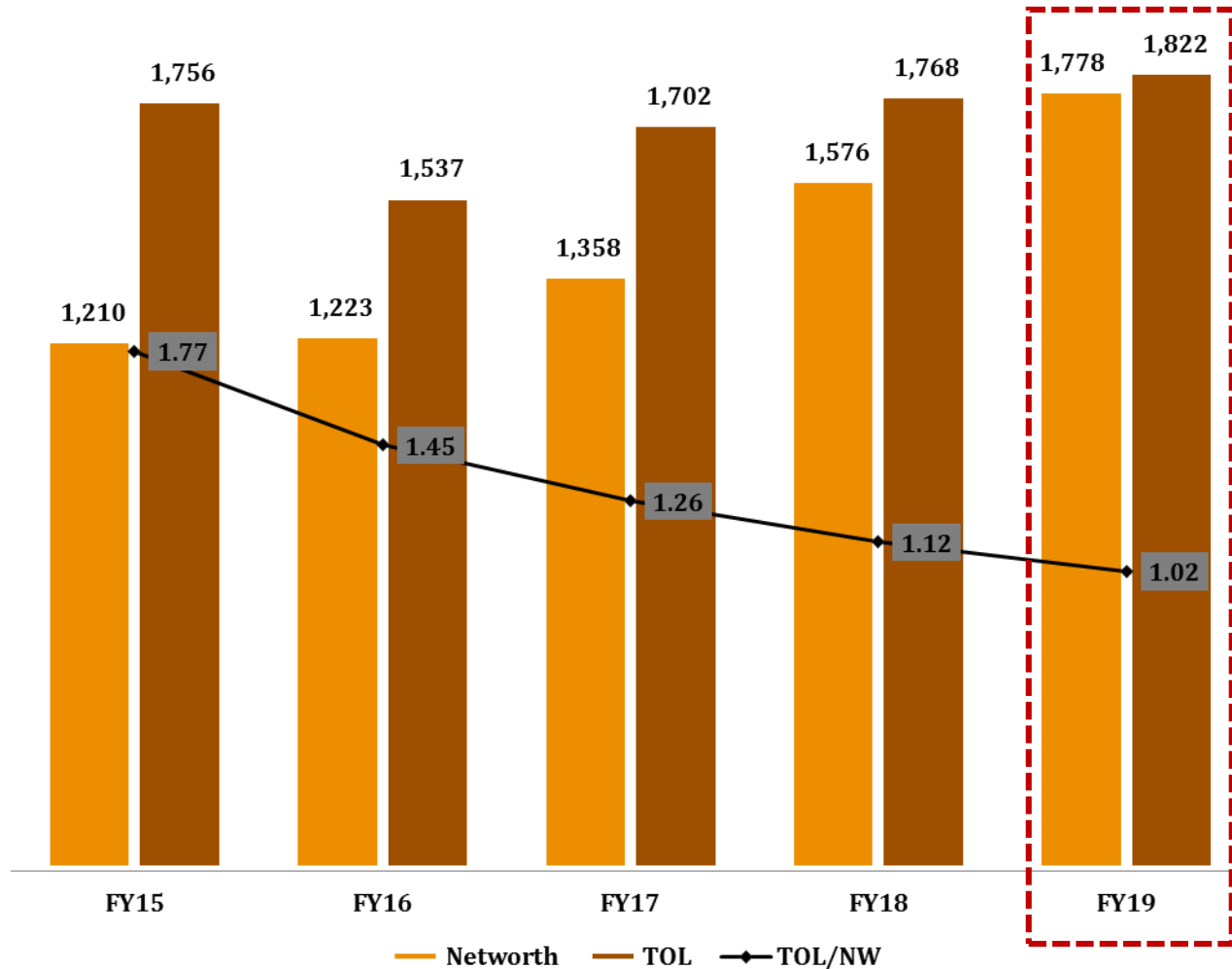
Land acquisition & regulatory approvals in place

Financial Closure under progress

... Sikkim project completion to provide incremental stable cashflow

# Disciplined Growth

## Consistently improving Balance Sheet Strength



Rs. Cr	Term Loan	Working Capital	Total
Steel	424	224	648
Hydro Operational	120	-	120
<b>Total</b>	<b>544</b>	<b>224</b>	<b>768</b>
Hydro Under execution	594	-	594
<b>Total</b>	<b>1,138</b>	<b>224</b>	<b>1,362</b>

Steel Business includes Loans on major subsidiaries SEML & SMAL  
Hydro Business includes Loans on major subsidiaries PPL, CHPLLP, & MBPCL



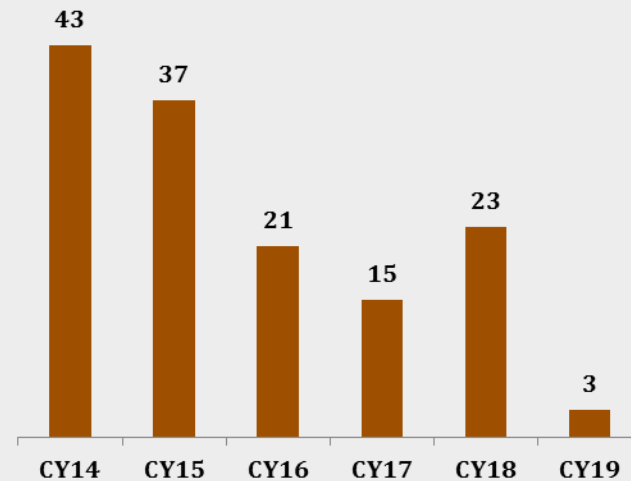
# Focus on Safety, Health & Social Responsibility

## Health & Safety



- SEML awarded - Appreciation Award for Best Company in the Entire Eastern Region on Safety category
- Safety is taken as top priority
- Regular medical check ups & inhouse medical facilities
- Incident rate (including minor injuries) has seen a declining trend over past few years
- Conducting trainings on safety measures every year

## No. of Incidents (including minor)



## Social Responsibility



- Adopted 90 single-teacher schools in the tribal areas of Chhattisgarh
- Actively sponsors medical facilities, assisting in primary healthcare
- Runs a well-equipped ambulance with doctors and has set up first-aid facilities in the villages surrounding its mines

# Annual Financial Highlights

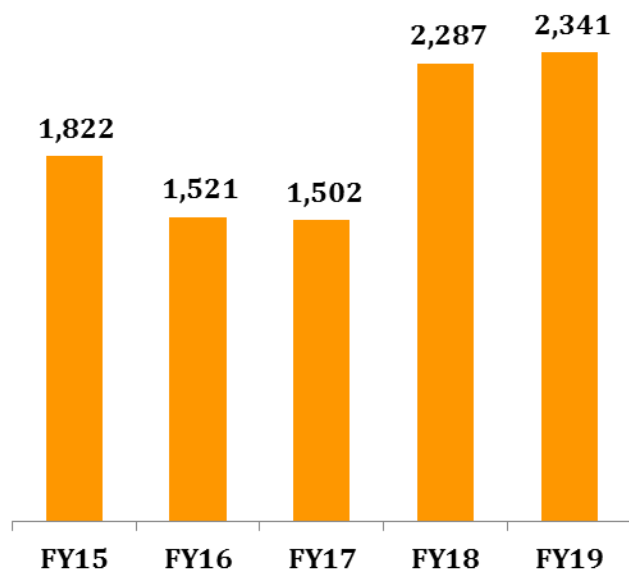


# Profitability Highlights - Consolidated

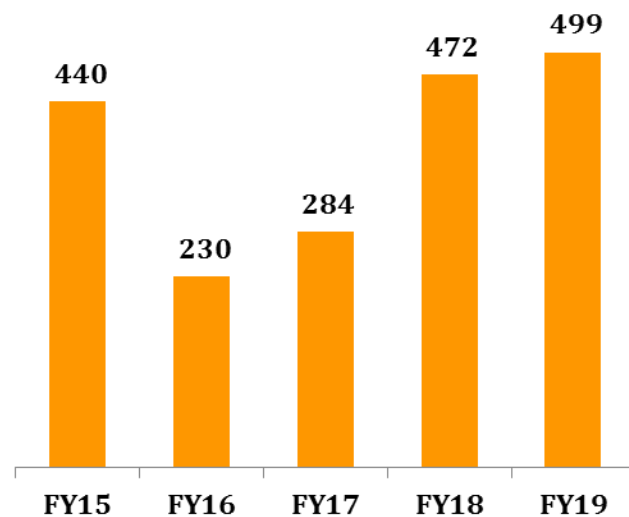
INR in Cr	FY15	FY16	FY17	FY18	FY19
Revenues	1,760	1,486	1,434	2,217	2,324
Other Income	63	35	67	70	17
<b>Total Income</b>	<b>1,822</b>	<b>1,521</b>	<b>1,502</b>	<b>2,287</b>	<b>2,341</b>
Raw Material	883	964	942	1,478	1,493
Employee Expenses	72	68	75	77	87
Other Operating Expenses	428	259	200	260	261
<b>EBITDA</b>	<b>440</b>	<b>230</b>	<b>284</b>	<b>472</b>	<b>499</b>
<b>EBITDA Margin (%)</b>	<b>24%</b>	<b>15%</b>	<b>19%</b>	<b>21%</b>	<b>21%</b>
Depreciation	93	75	69	73	76
Interest	120	109	94	97	99
<b>Profit Before Tax</b>	<b>227</b>	<b>47</b>	<b>122</b>	<b>302</b>	<b>324</b>
Exceptional Item	139	-	(28)	8	-
Tax	31	31	23	90	117
<b>PAT</b>	<b>56</b>	<b>16</b>	<b>127</b>	<b>205</b>	<b>207</b>
<b>PAT Margin (%)</b>	<b>3%</b>	<b>1%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>
<b>EPS</b>	<b>15.29</b>	<b>4.27</b>	<b>35.58</b>	<b>56.01</b>	<b>56.36</b>

# Financial Performance

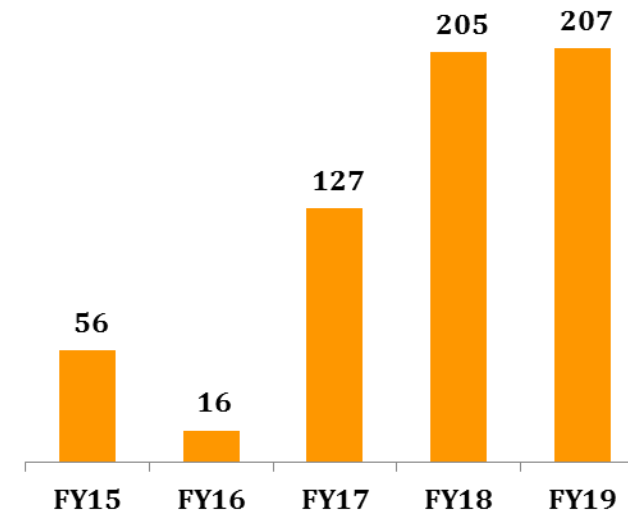
## Total Income



## EBITDA



## PAT

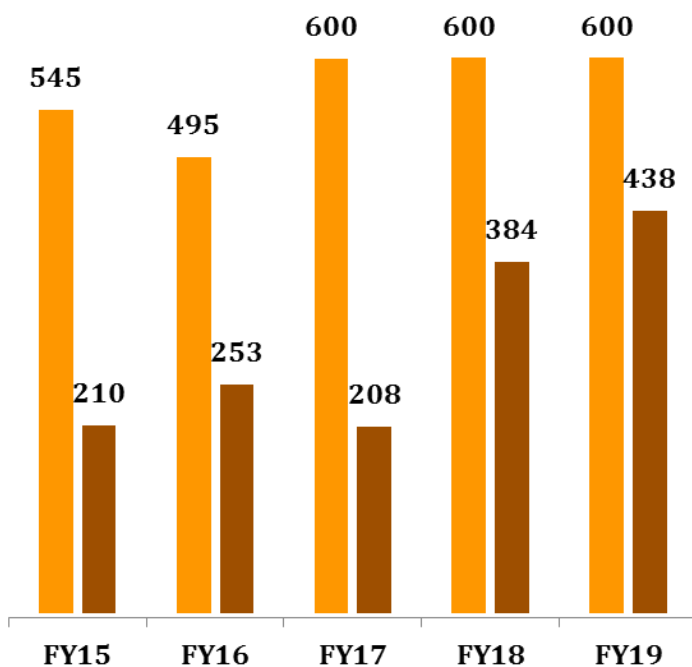


# Balance Sheet Highlights – Consolidated

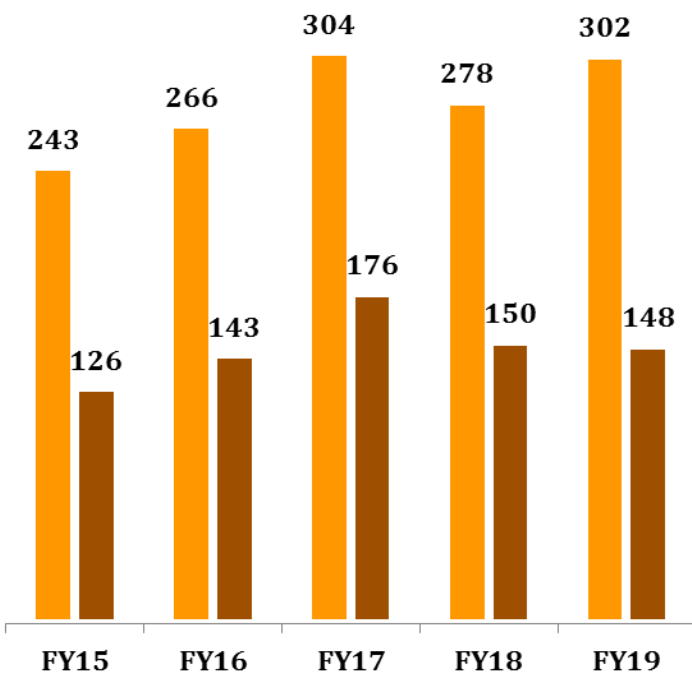
INR in Cr	FY15	FY16	FY17	FY18	FY19
Share Capital	36	36	36	36	36
Tangible Network	1,292	1,230	1,358	1,577	1,778
Long Term Borrowings	999	966	1,015	1,059	1,128
Other Liabilities	726	595	706	741	723
<b>Total Liability</b>	<b>3,053</b>	<b>2,827</b>	<b>3,115</b>	<b>3,413</b>	<b>3,665</b>
Net Fixed Asset Block	1,382	1,351	1,200	1,447	1,397
CWIP	427	579	794	775	1,054
Investment	212	133	203	186	166
Net Current Assets	1,032	764	918	1,005	1,048
<b>Total Assets</b>	<b>3,053</b>	<b>2,827</b>	<b>3,115</b>	<b>3,413</b>	<b>3,665</b>

# Yearly Volume Trend

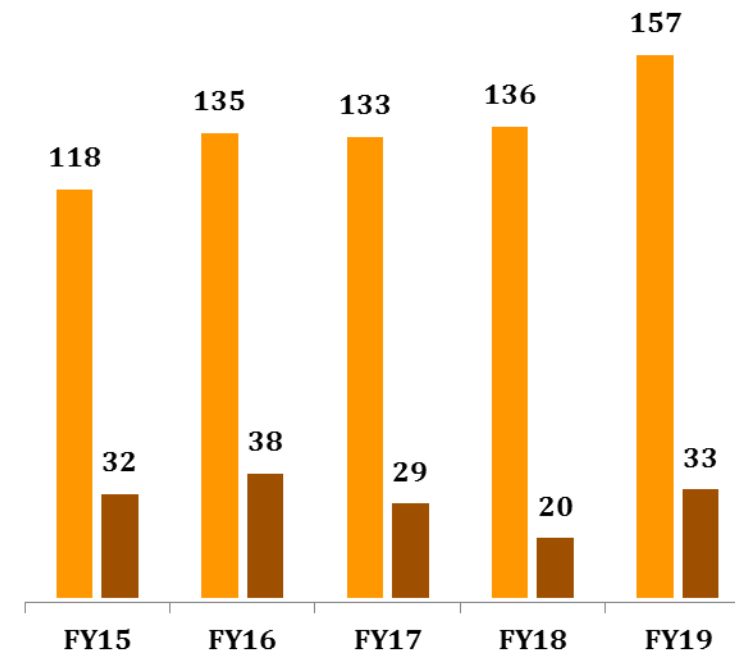
Iron Ore Pellets



Sponge Iron



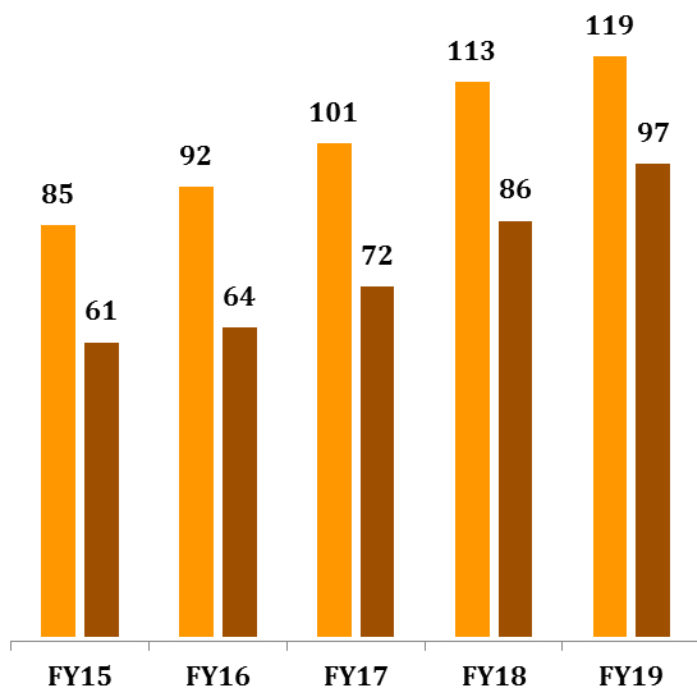
Steel Billet



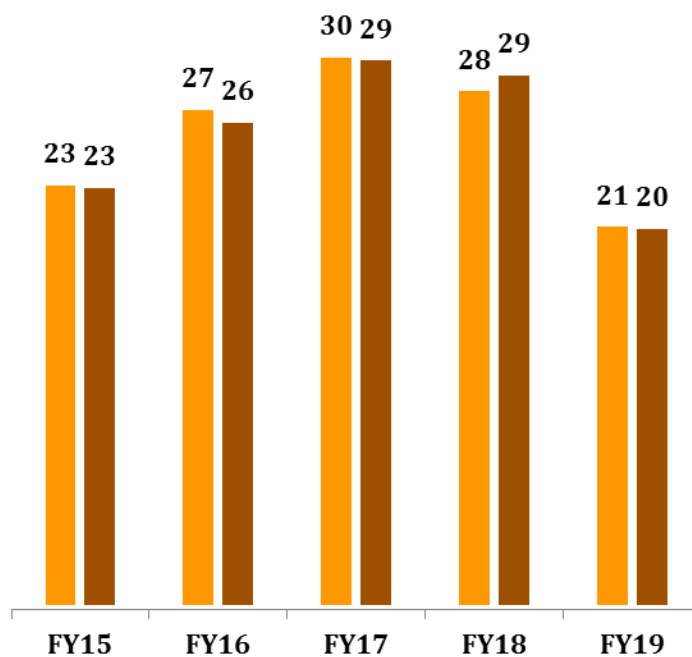
■ Production ■ Sales

# Yearly Volume Trend (2)

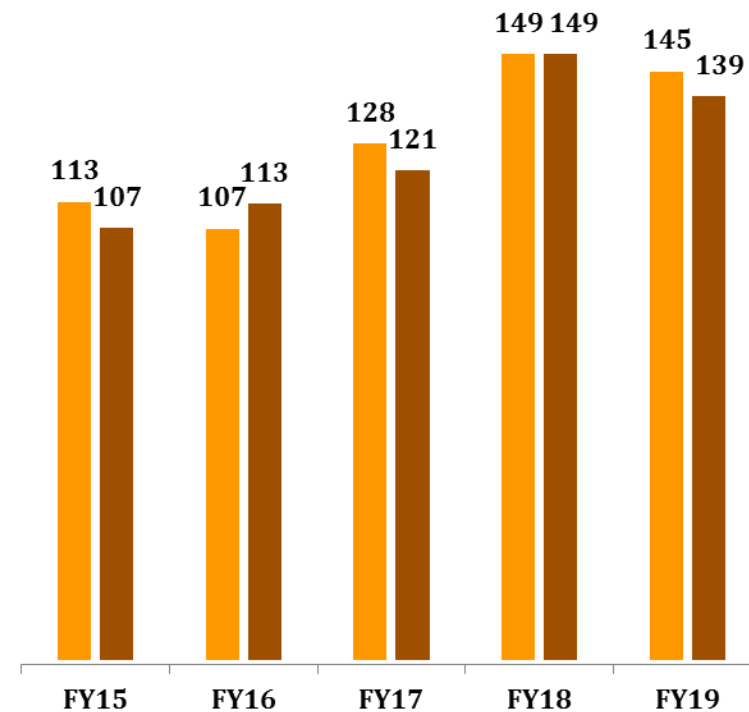
Wire Rod



H. B Wires



Ferro Alloys

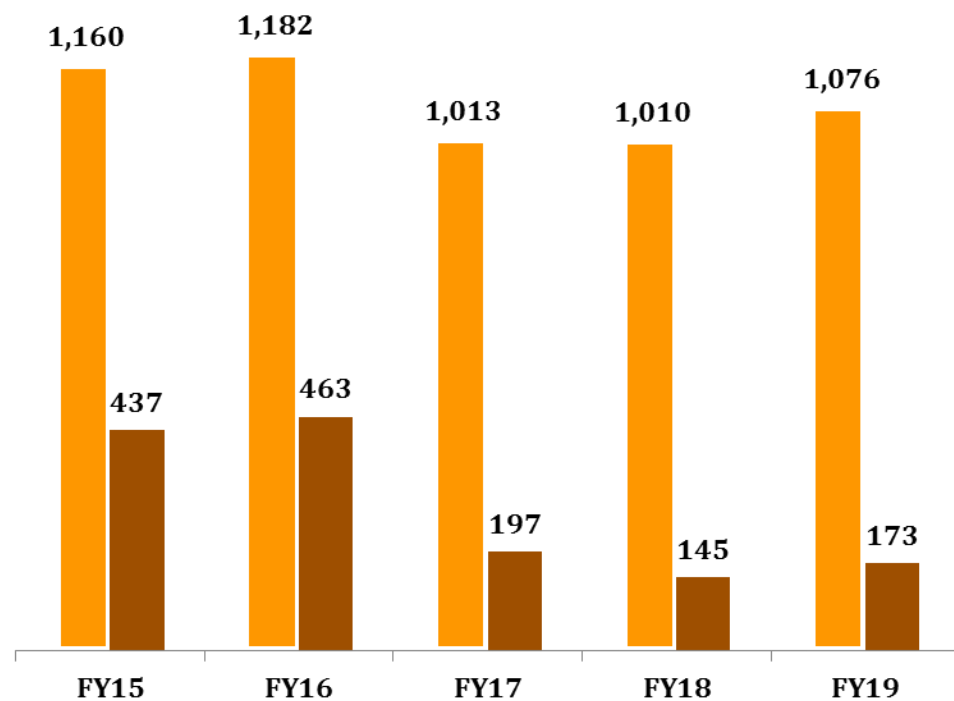


Production Sales

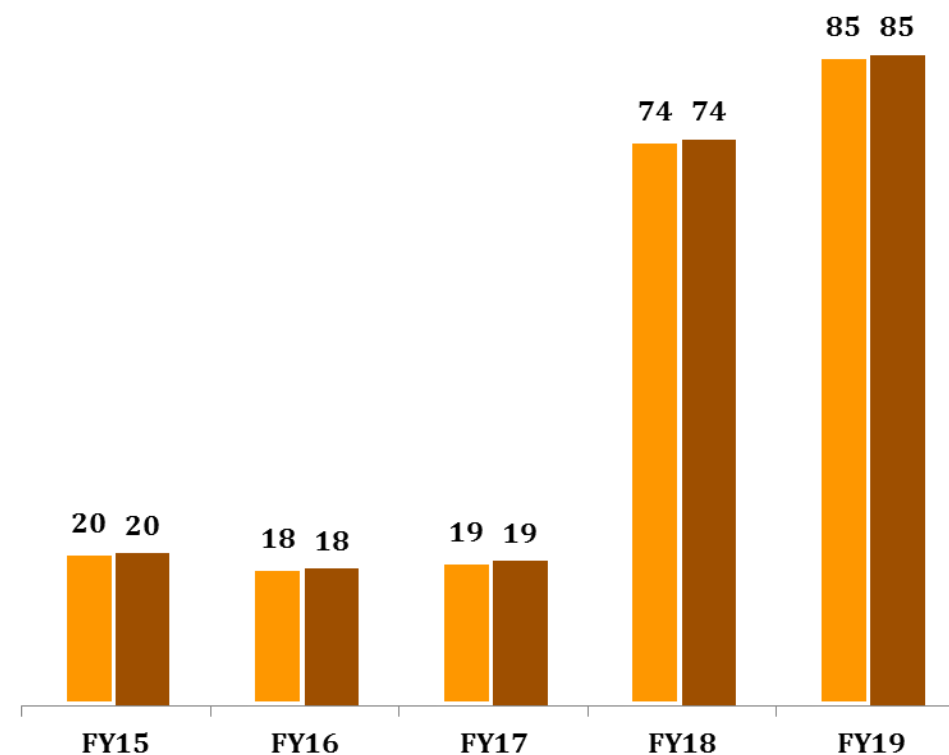
All Fig. in '000 MT unless specified  
 Note: A part of all production is captively consumed for production of downstream products

# Yearly Power Generation

Power (Thermal)



Power (Hydro)



Generation Sales



# Thank You



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