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An ISO 9001, ISO 14001 & OHSAS 18001  
Certified Company



3rd November, 2018

BSE Ltd  
Phiroze Jeejeebhoy Towers  
Dalal Street - Mumbai 400 021  
Fax No. : 91-22-22721919,

National Stock Exchange of India Ltd.  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai - 400051  
Fax No: 022-26598120

Security Code: **504614**

Security Code: **SARDAEN**

Dear Sir,

Sub: **Press Release - Results Quarter 2: FY 19**

In continuation to our earlier letter, please find enclosed herewith the Press Release on the 2<sup>nd</sup> quarter FY 19 results.

A copy of the said press release is being made available on the website of the Company at [www.seml.co.in](http://www.seml.co.in).

You are requested to take the above information on record and disseminate the same for the information of the stakeholders.

Thanking you

Yours faithfully,  
For Sarda Energy & Minerals Ltd.

  
Authorised Signatory

Encl: As above

**PRESS RELEASE**

3<sup>rd</sup> November, 2018

**Sarda Energy & Minerals Limited (SEML)** reports consolidated and standalone financial results for the 2<sup>nd</sup> quarter ended 30<sup>th</sup> September, 2018.

**Operating Highlights of the Quarter**

- i. Highest ever Pellet Dispatches 1,55,449 MT (Growth 3% QoQ and 53% YoY).
- ii. Highest ever Steel Billet Production 38,727 MT (Growth 4% QoQ and 9% YoY).
- iii. Highest ever Wire Rod Production 31,277 MT (Growth 4% QoQ and 7% YoY).
- iv. Highest ever Wire Rod sales 26,018 MT (Growth 13% QoQ and 25% YoY).
- v. Highest ever Hydro power generation 52.2Mn Kwh (Growth 511% QoQ and 9% YoY)

**Financial Performance – Consolidated**

- Revenue from Operations Rs. 591Cr (increase 4% YoY and Decrease 5% QoQ). QoQ revenue fell on account of non-recognition of pellet dispatched for export as sales (pending shipment).
- Operating EBIDTA Rs. 127 Cr. against Rs. 151 Cr in Q1 and Rs. 103 Cr in Q2FY18 (increase 24% YoY and Decrease of 16%QoQ). QoQ EBIDTA fell partially on account of non-recognition of pellet dispatched for export as sales. Also, Ferro alloys segment saw pressure on margins. Prices have since improved in current quarter.
- PAT falls to Rs. 38Cr as against Rs. 46 Cr in Q2FY18 and Rs. 43Cr in Q1FY19. This apart from above is also on account of mark to market provision on investments (Rs. 16Cr), Forex losses (Rs. 9Cr) and elimination of dividend from subsidiary (Rs. 18Cr) and of Share of profit from LLP (Rs. 8Cr).

**Financial Performance – Standalone**

- Revenue from Operations Rs.419 Cr (increase 21 % YoY and Decrease of 5% QoQ). QoQ revenue fell on account of non-recognition of pellet dispatched for export as sales (pending shipment).
- Operating EBIDTA Rs.99Cr against Rs.64Cr in Q2FY18 and Rs. 131Cr in Q1FY19 (increase 55% YoY and Decrease of 24% QoQ). QoQ EBIDTA fell on account of lower pellet sales.



- PAT Rs 60Cr as against Rs 38Cr in Q2FY18 and Rs. 52Cr in Q1FY19. This includes dividend from a subsidiary, share of profit from LLP, effect of mark to market provision on investments and Forex Loss.

### Production & Sales (Consolidated)

#### Production

Products	UOM	Quarter Ended					FY18
		Q2FY19	Q1FY19	Q2FY18	Growth %		
		A	B	C	QoQ	YoY	
Iron Ore Pellet	MT	162,335	203,464	152,959	-20	6	599,950
Sponge Iron	MT	69,243	77,378	67,957	-11	2	278,147
Steel Billet	MT	38,727	37,095	35,539	4	9	136,349
Wire Rod (M.S Coil)	MT	31,277	30,024	29,321	4	7	113,466
H.B Wire	MT	4,699	6,699	6,990	-30	-33	27,763
Ferro Alloys	MT	38,830	38,714	41,865	0	-7	149,258
Power (Thermal)	Mn Kwh	273.22	279.07	265.84	-2	3	1,010.37
Power (Hydro)	Mn Kwh	52.20	8.54	47.90	511	9	82.23

#### Sales

Products	UOM	Quarter Ended					FY18
		Q2FY19	Q1 FY19	Q2FY18	Growth %		
		A	B	C	QoQ	YoY	
Iron Ore Pellet	MT	155,449	150,519	101,274	3	53	383,831
Sponge Iron	MT	27,898	40,302	30,553	-31	-9	150,415
Steel Billet	MT	5,957	6,161	4,921	-3	21	19,633
Wire Rod	MT	26,018	22,968	20,782	13	25	85,567
HB Wire	MT	4,689	6,780	6,720	-31	-30	28,615
Ferro Alloys	MT	39,215	37,882	42,598	4	-8	149,316
Power (Thermal)	MnKwH	35.28	45.11	36.56	-22	-4	145.30
Power (Hydro)	MnKwH	52.20	8.54	47.90	511	9	82.23

**Note:**

- Iron ore Pellet includes 38202 MTs of pellet dispatched from the plant for export but not shipped. This is not recognized as sales in Q2FY19.
- A part of all Products, except Hydro Power & HB Wire, is captively consumed for production of downstream products.



### Exports

Majority of our ferro alloys production is exported to a large number of countries. During the current quarter we exported 24,611 MTs of Ferro alloys against 22,122 MTs in Q1FY19 and 25,936 MTs in Q2FY 18. The company has also exported 53790 MTs of Iron ore pellet for the first time.

### Sarda Metals & Alloys Ltd.

#### Production

Product	UOM	Quarter Ended					FY 18
		Q2FY19	Q1FY19	Q2FY18	Growth %		
		A	B	C	QoQ	YoY	31.03.18
Ferro Alloys	MT	21,128	21,566	25,100	-2	-16	83,760
Power	Mn Kwh	129.23	141.71	122.27	-9	6	499.37

The YoY fall in production is on account of change in the product mix otherwise the ferro alloys plant capacity utilization has gone up by 10% YoY.

#### Sales

Product	UOM	Quarter Ended					Year ended
		Q2FY19	Q1FY19	Q2FY18	Growth %		
		A	B	C	QoQ	YoY	31.03.18
Ferro Alloys	MT	22,492	20,855	25,100	8	-10	85,129
Power (Sales)	Mn Kwh	29.59	39.71	31.05	-25	-5	127.82

#### Outlook

The company has surplus power generation capacity in Vizag plant. The power scenario in the country has undergone a sea change during last one year. The average price realisation on IEX has gone up from Rs. 2.40 in CY 2016 to Rs. 3.02 in CY 2017 and to Rs. 4.03 in CY 18 so far. As against average of 16 MW export during first half of FY19, the company has exported about 40 MW of power during Oct. 18. The company expects good demand for power for rest of the year.

The remunerative pricing and improved capacity utilisation of power plant will help in improved financial performance. Ferro alloys prices have also firmed up.





### **Madhya Bharat Power Corp. Ltd.**

Work on the 96 MW hydro power project is progressing steadily and is expected to be completed by the end of next financial year. The company has so far spent about Rs. 922Crores on the project.

### **Debt Position**

As of 30<sup>th</sup>September, 2018 the long term loans stood at Rs. 126crores on standalone balance sheet out of which Rs. 25 crores are payable within next one year. On consolidated balance sheet Long term loans stood at Rs.1055 crores (including Loan of Rs. 496 crores for the 96 MW hydro power project under construction) out of which Rs. 67 crores are payable within next one year. The company has met all its debt service obligations on time.

### **About Sarda Energy & Minerals Ltd.**

Sarda Energy & Minerals,incorporated in 1973, is an integrated steel producer of long steel products having 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 Quarter2FY19. This 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.

