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An ISO 9001, ISO 14001 & OHSAS 18001

Certified Company



13th November, 2019

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: Corporate Presentation

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 the Corporate Presentation on the Q2 FY 20 results of our Company.

The copy of the said Corporate Presentation is also being placed on the website of the company - 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

MINING



STEEL



FERRO-ALLOYS



HYDRO



Result Presentation | Q2 FY20

Safe Harbour Statement

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Agenda

- 1 **H1 FY20 :
Business Update & Financial Highlights**
- 2 **SEML – Consistent & Disciplined Growth**
- 3 **Strategic Priorities**
- 4 **Annual Financial Highlights**





H1 FY20 : Business Update & Financial Highlights

Profitability Highlights - Consolidated

INR in Cr	Q2FY20	Q2FY19	YoY	Q1FY20	QoQ	H1FY20	H1FY19	YoY
Revenues	550	591		555		1106	1214	
Other Income	11	-3		11		22	-17	
Total Income	561	588	-4%	566	-1%	1128	1198	-6%
Raw Material	372	377		350		723	772	
Employee Expenses	22	20		25		47	41	
Other Operating Expenses	68	75		70		139	147	
EBITDA	99	115	-14%	121	-18%	220	239	-8%
<i>EBITDA Margin (%)</i>	<i>18%</i>	<i>20%</i>		<i>21%</i>		<i>19%</i>	<i>20%</i>	
Depreciation	20	19		19		39	38	
Interest	18	26		23		41	50	
Profit Before Tax	62	70	-12%	78	-21%	140	151	-7%
Exceptional Item	0	0		0		0	0	
Tax	-10	31		27		18	66	
PAT	71	40	79%	51	41%	122	85	43%
<i>PAT Margin (%)</i>	<i>13%</i>	<i>7%</i>		<i>9%</i>		<i>11%</i>	<i>7%</i>	
EPS	19.12	9.47	102%	13.16	45%	32.28	21.97	47%

Planned shutdown of Vizag plant impacted the Revenue and EBITDA during H1FY20 & Q2 FY20

Balance Sheet - Consolidated

Rs. Crore	Sep-19	Mar-19
Shareholder's Funds	1876	1778
Share capital	36	36
Other Equity	1840	1742
Minority interest	52	82
Non-current Liabilities	1240	1158
Long term borrowings	1175	1078
Long-Term Provisions	9	9
Deferred tax liability	56	71
Current Liabilities	722	648
Short Term Borrowings	295	268
Trade Payables	168	181
Other Financial Liabilities	210	157
Short-term provisions	17	8
Other Current liabilities	25	22
Current tax liability	7	13
Total Equities & Liabilities	3889	3665

Rs. Crore	Sep-19	Mar-19
Non-current Assets	2625	2524
Fixed assets	2545	2427
Financial assets	28	46
Other non-current assets	52	51
Current Assets	1264	1141
Inventories	393	439
Trade receivables	149	93
Investments	170	166
Bank, Cash & Cash equivalents	141	45
Loans & Advances	298	313
Other Current Assets	114	86
Total Assets	3889	3665

Profitability Highlights - Standalone

INR in Cr	Q2FY20	Q2FY19	YoY	Q1FY20	QoQ	H1FY20	H1FY19	YoY
Revenues	381	419		421		802	861	
Other Income	26	16		8		34	0	
Total Income	407	435	-6%	429	-5%	835	861	-3%
Raw Material	267	260		254		521	519	
Employee Expenses	17	16		20		37	32	
Other Operating Expenses	47	53		53		100	97	
EBITDA	76	105	-28%	101	-25%	177	214	-17%
<i>EBITDA Margin (%)</i>	<i>19%</i>	<i>24%</i>		<i>24%</i>		<i>21%</i>	<i>25%</i>	
Depreciation	13	12		13		26	25	
Interest	9	8		8		16	17	
Profit Before Tax	55	85	-35%	81	-32%	135	172	-21%
Exceptional Item	0	0		0		0	0	
Tax	-14	25		28		15	60	
PAT	68	60	15%	52	30%	121	112	8%
<i>PAT Margin (%)</i>	<i>17%</i>	<i>14%</i>		<i>12%</i>		<i>14%</i>	<i>13%</i>	
EPS	18.94	16.52	15%	14.56	30%	33.50	30.94	8%

One Power unit under shutdown for 25 days, at Raipur plant, impacted the Revenue and EBITDA during H1FY20 & Q2 FY20

Achieved highest ever Sponge Iron Production in a Quarter & Half Year

Achieved highest ever Billet and Wire Rod Production in Half Year

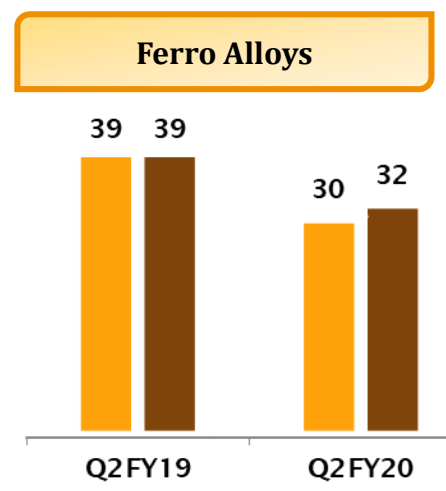
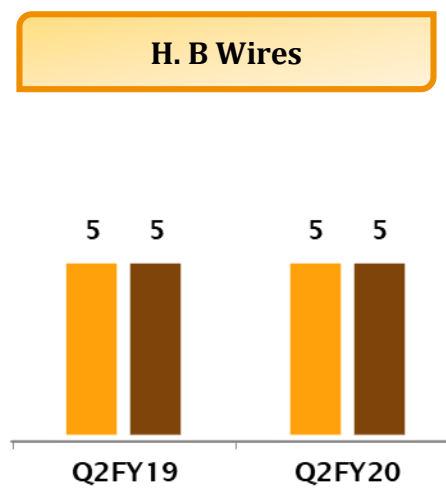
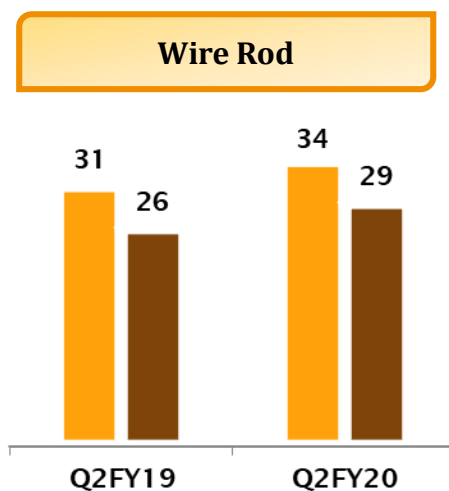
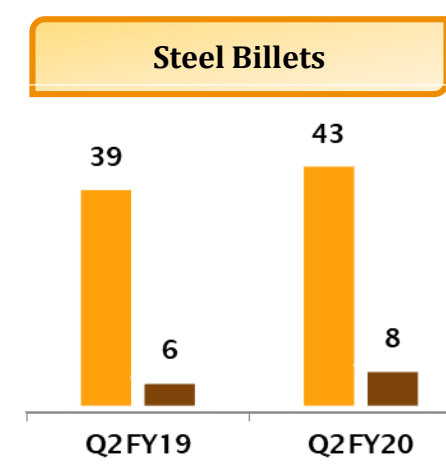
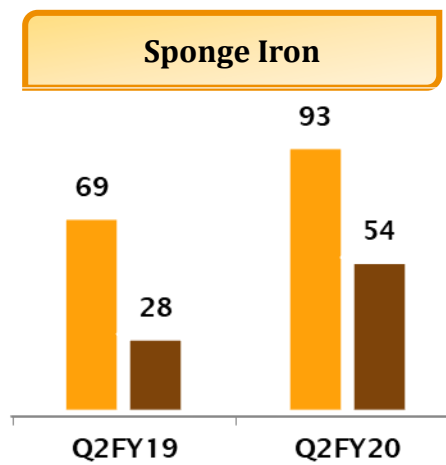
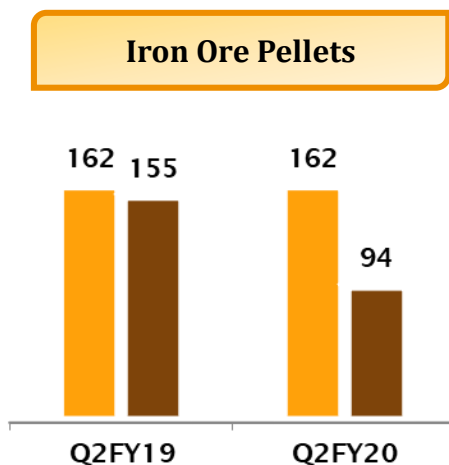
Achieved Highest ever Power Production in Half Year

Balance Sheet - Standalone

Rs. Crore	Sep-19	Mar-19
Shareholder's Funds	1668	1566
Share capital	36	36
Other Equity	1632	1530
Non-current Liabilities	226	165
Long term borrowings	178	100
Long-Term Provisions	3	3
Deferred tax liability	45	62
Current Liabilities	435	349
Short Term Borrowings	173	175
Trade Payables	117	90
Other Financial Liabilities	107	48
Short-term provisions	16	7
Other Current liabilities	18	18
Current tax liability	5	11
Total Equities & Liabilities	2329	2080

Rs. Crore	Sep-19	Mar-19
Non-current Assets	1294	1300
Fixed assets	584	597
Financial assets	693	687
Other non-current assets	18	16
Current Assets	1035	779
Inventories	285	300
Trade receivables	79	39
Investments	59	52
Bank, Cash & Cash equivalents	90	3
Loans & Advances	445	326
Other Current Assets	77	58
Total Assets	2329	2080

Quarterly Volume – Steel Business

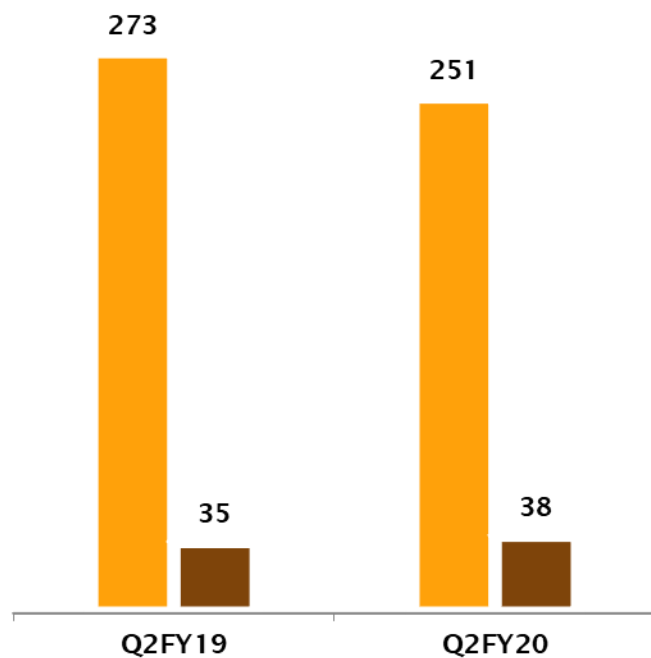


■ Production ■ Sales

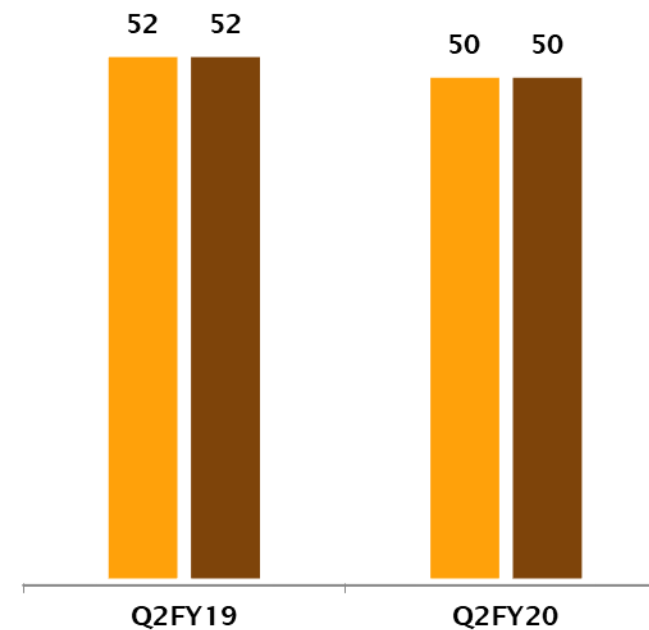
All Fig. in '000 MT unless specified

Quarterly Generation & Sales - Power Business

Power (Thermal)



Power (Hydro)



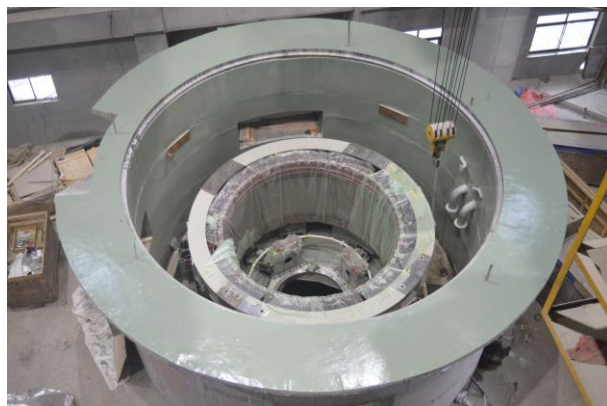
Thermal Power (Captive) Capacity : 162 MW

Generation Sales

All Fig. in Mn Kwh unless specified

One Power unit under shutdown for 25 days at Raipur, affected Thermal Power generation

Sikkim Hydro Project Progressing well



UNIT-1 GENERATOR STATOR & LOWER BRACKET INSTALLED INSIDE BARREL



10MVA STATION TRANSFORMER ERECTION COMPLETED



UNIT-1 HPU INSTALLED



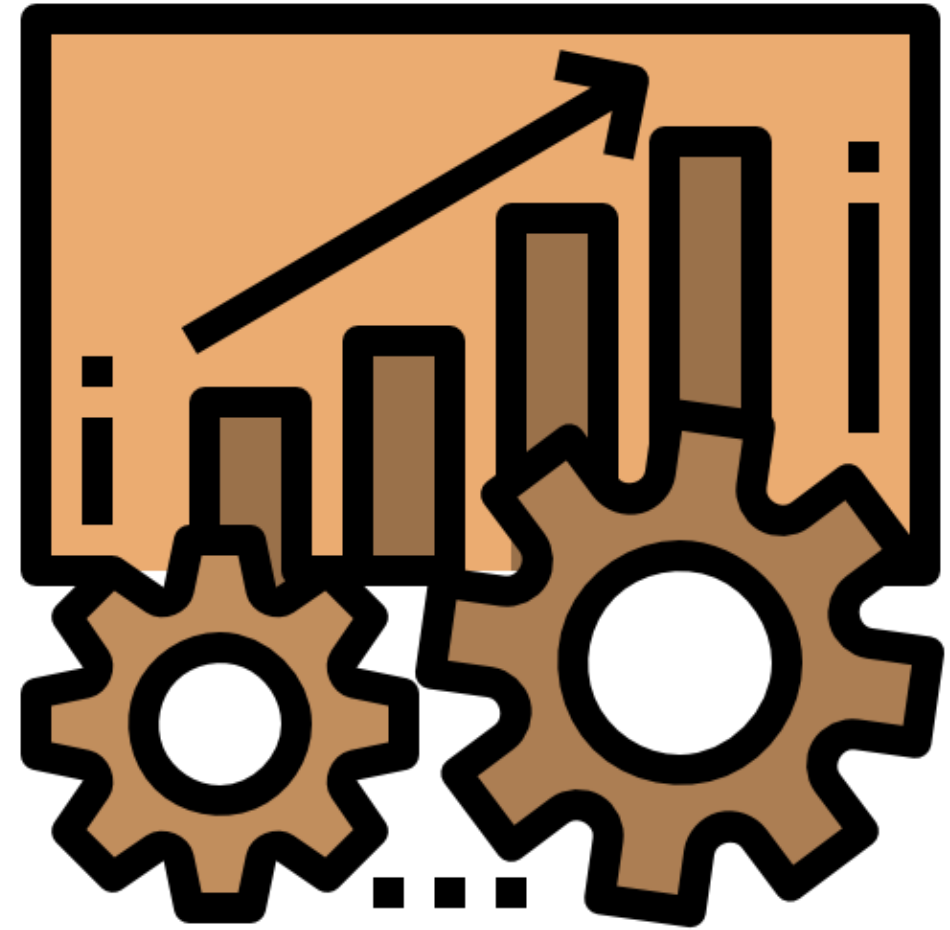
UNIT-2 STATOR WINDING UNDER PROGRESS



UNIT- 2 MIV ERECTION COMPLETED



UNIT-1& 2, TURBINE HOUSING & DISTRIBUTOR COMPLETED



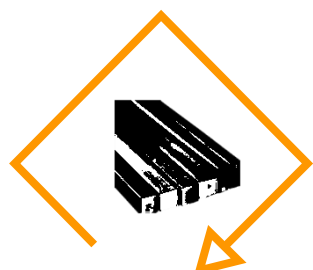
SEML – Consistent & Disciplined Growth

SEML at a Glance

Steel Business



Pellet Production
6 Lac MT



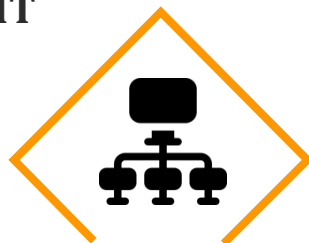
Billet Production
1.56 Lac MT



Wire Rod Production
1.18 Lac MT

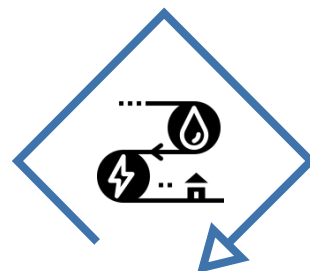


Ferro Alloys Production
1.49 Lac MT

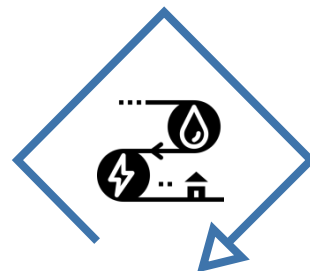


Iron Ore Reserves
20 Mn T

Hydro Power



Operational Capacity
28.8 MW

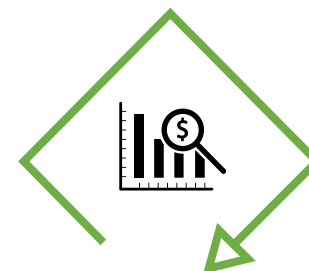


Capacity Under Execution
120 MW

Financials (FY19)



Revenue
INR 2,217 Cr



PAT
INR 207 Cr

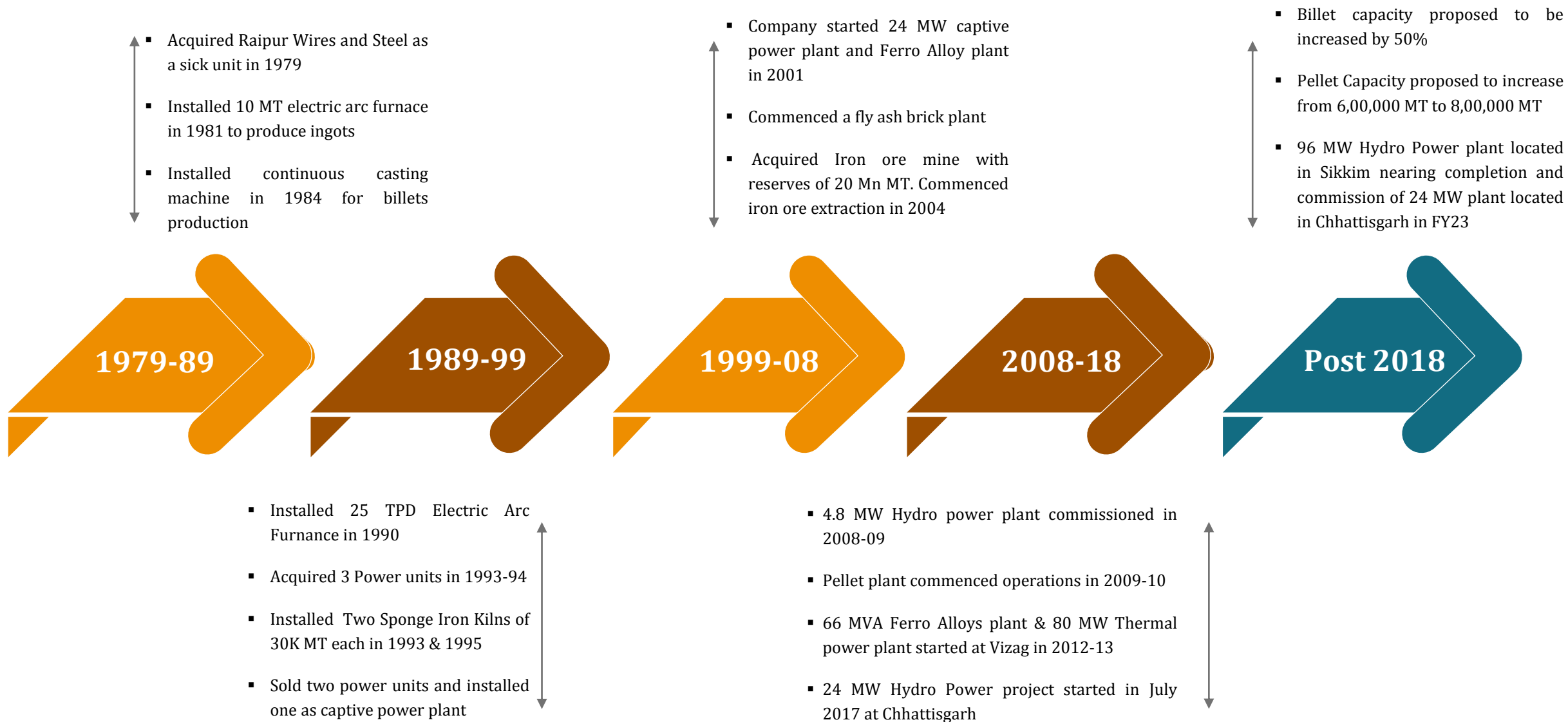


EBITDA
INR 499 Cr



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

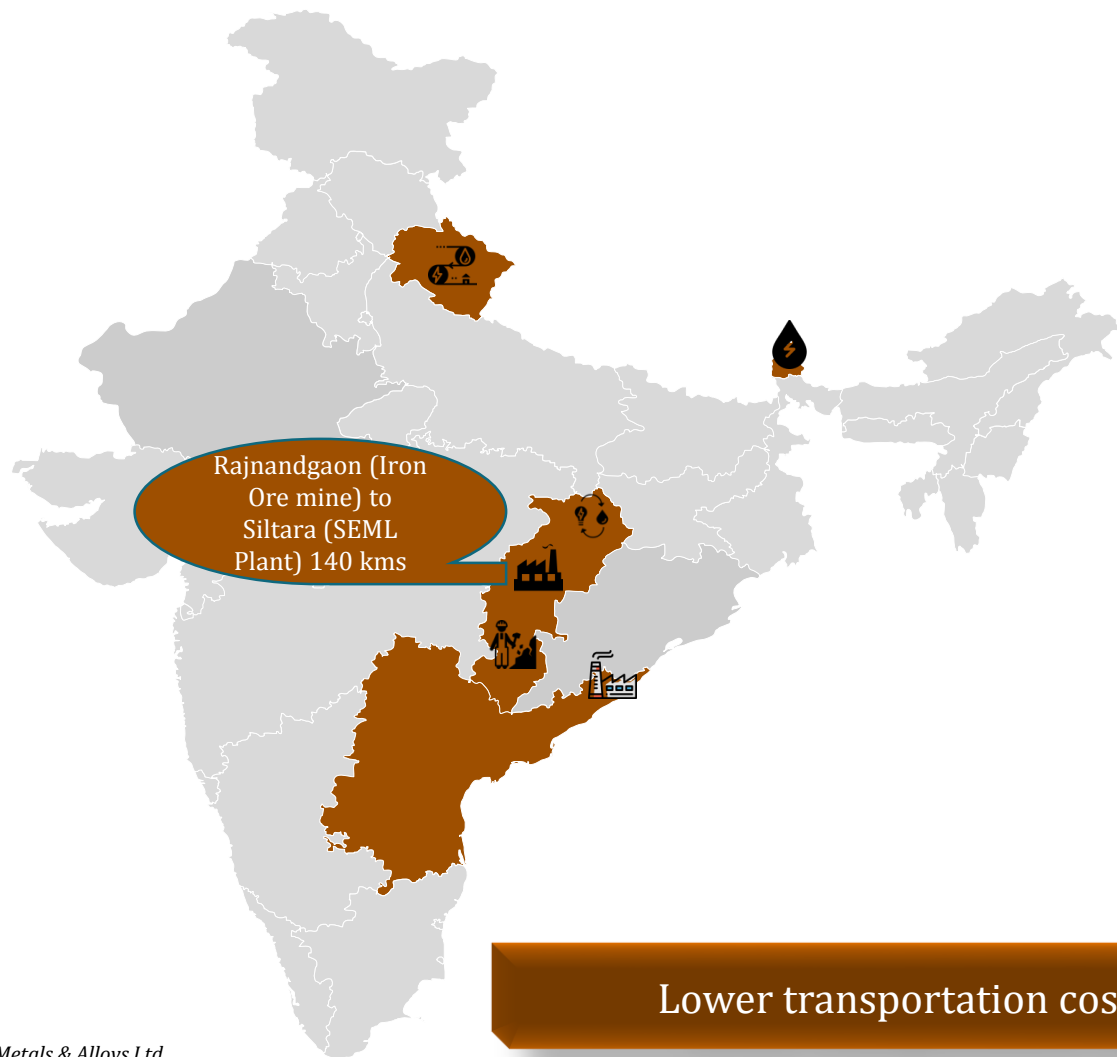


Neeraj Sarma







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

Company's Asset Footprint

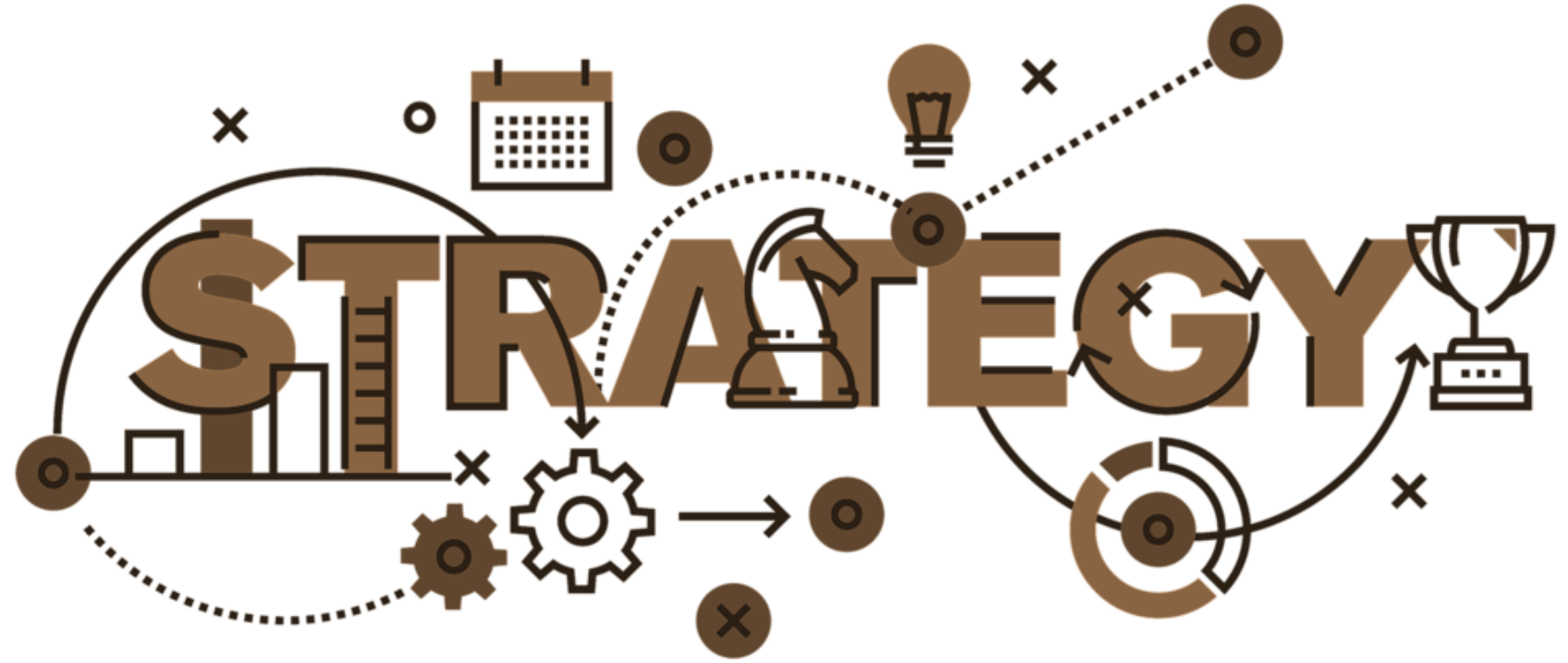


Plants / Facilities

- 
Hydro Plant at Uttarakhand
- 
Hydro Plant at Sikkim
- 
Hydro Plant at Gullu
- 
Steel Plant (SEML** Plant) at Siltara
- 
Ferro Alloy Plant at Vizag under SMAL*
- 
Iron Ore Mine at Rajnandgaon

Lower transportation costs due to close proximity to raw materials and end users

*SMAL – Sarda Metals & Alloys Ltd
 **SEML – Sarda Energy & Minerals 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

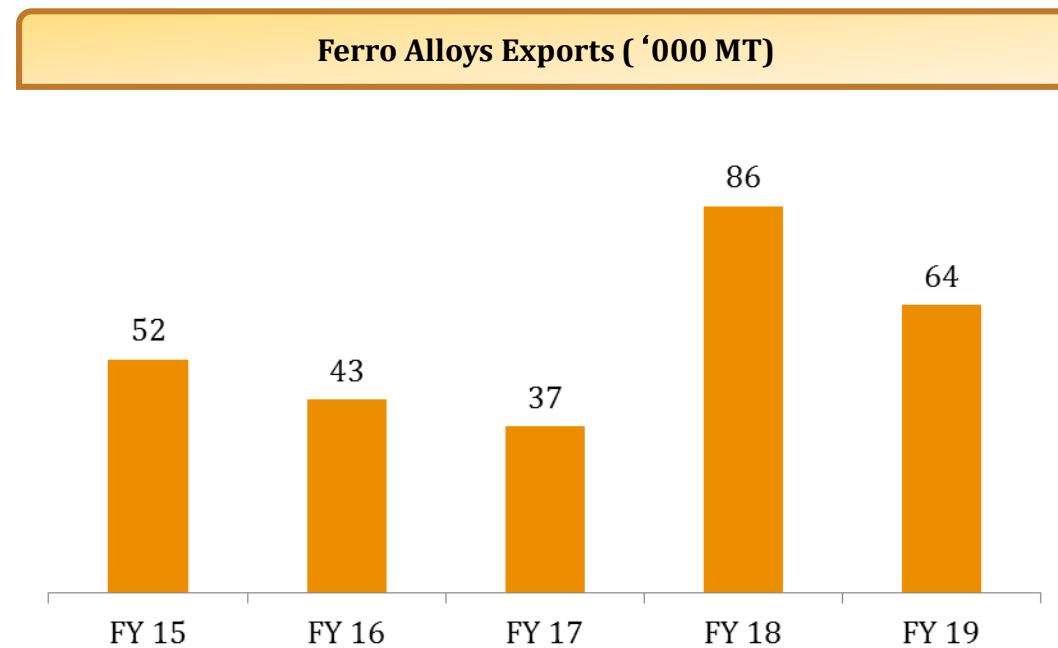
Vertically Integrated Steel Player...



Description	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
Current Capacity	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	2,10,000 MT
Captive Consumption (%)*	100%	27%	50%	78%	Wire rods : 18%
Expansion	<ul style="list-style-type: none"> Mines allotted in Chhattisgarh with 240 Mn Tonnes of reserves 	<ul style="list-style-type: none"> Expansion of capacity to 8,00,000 MT# 	<ul style="list-style-type: none"> Preferred Route of Steel making Thermal Coal sourced locally 	<ul style="list-style-type: none"> Expansion of capacity to 3,00,000 MT# Well positioned with complete back end integration 	<ul style="list-style-type: none"> Increase in Billet production lead to rise in wire rods production

... 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 FY20

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

Major Project works completed with Project nearing completion

Chhattisgarh

24.9 MW

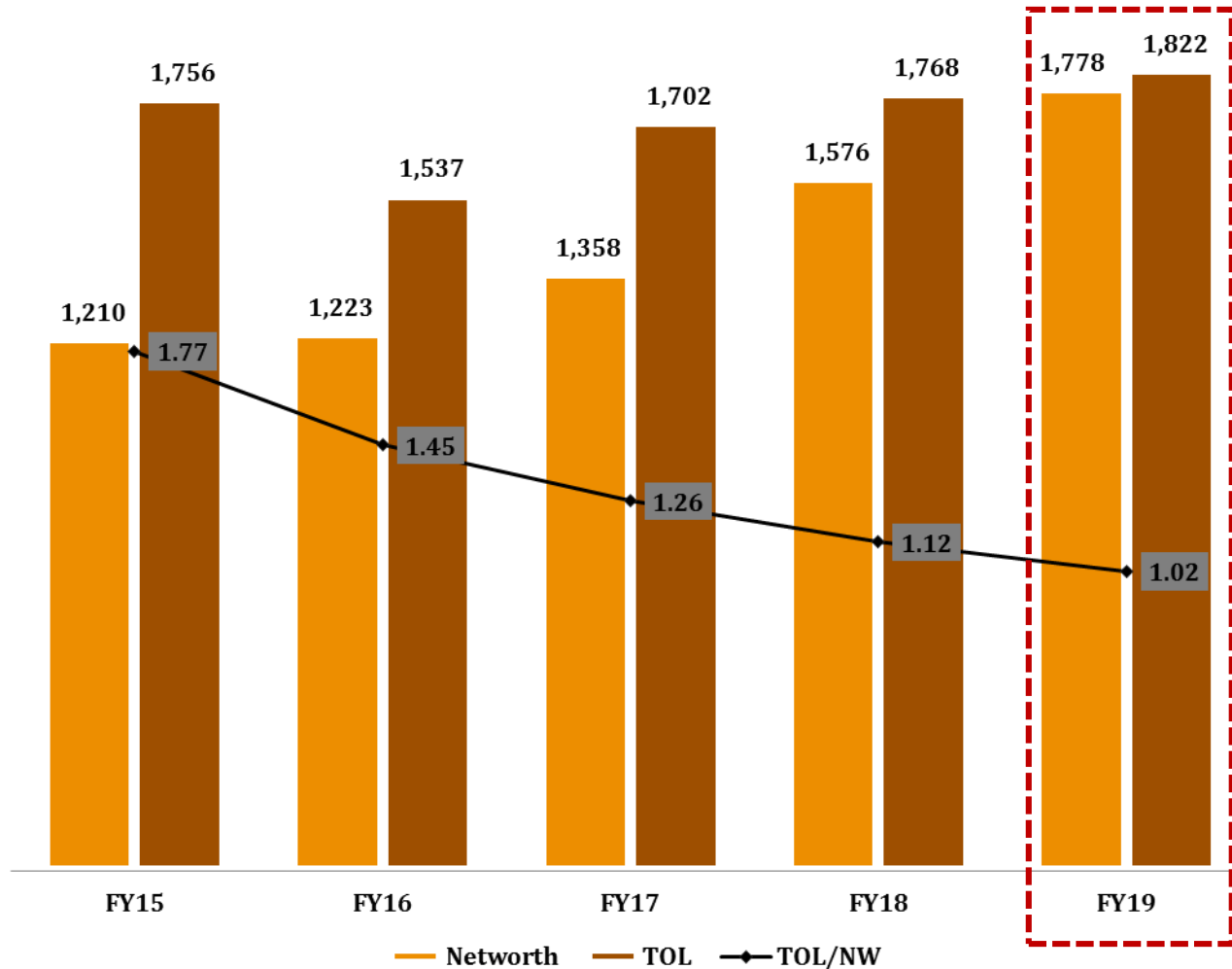
Land acquisition & regulatory approvals in place

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
Total	544	224	768
Hydro Under execution	594	-	594
Total	1,138	224	1,362

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

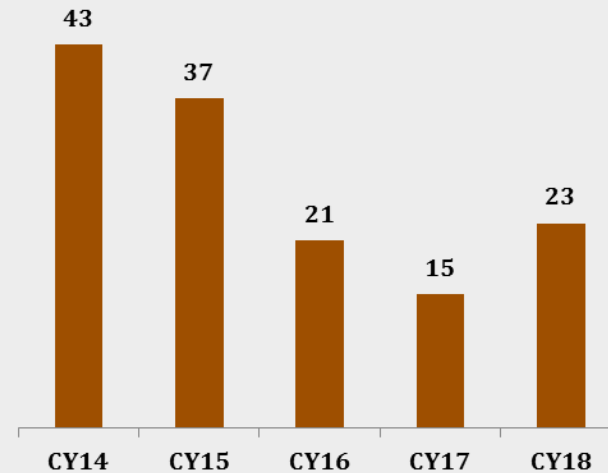
Focus on Safety, Health & Social Responsibility

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

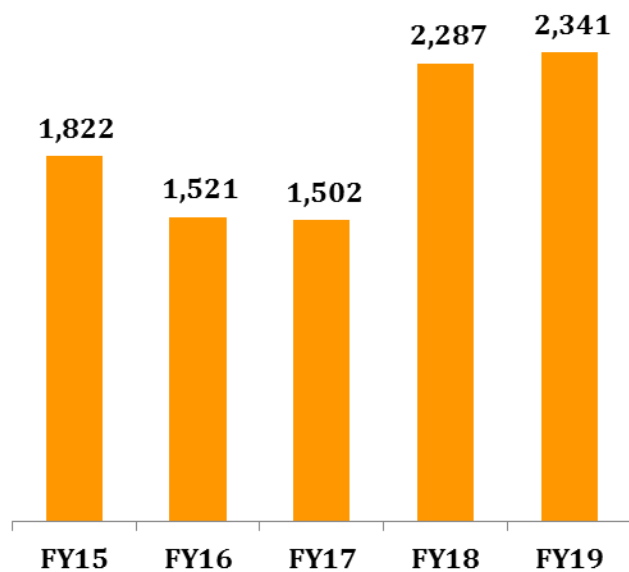


Profitability Highlights - Consolidated

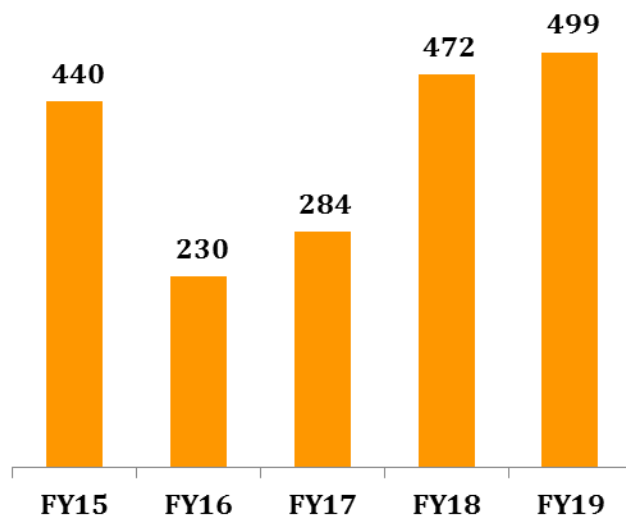
INR in Cr	FY15	FY16	FY17	FY18	FY19
Revenues	1,760	1,486	1,434	2,217	2,324
Other Income	63	35	67	70	17
Total Income	1,822	1,521	1,502	2,287	2,341
Raw Material	883	964	942	1,478	1,493
Employee Expenses	72	68	75	77	87
Other Operating Expenses	428	259	200	260	261
EBITDA	440	230	284	472	499
EBITDA Margin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

Financial Performance

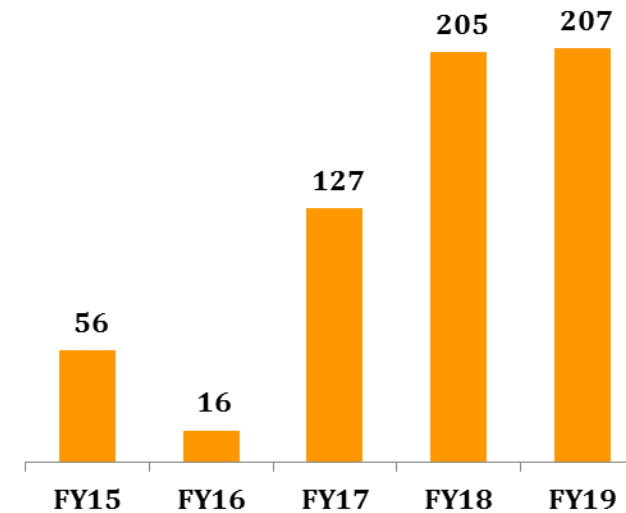
Total Income



EBITDA



PAT

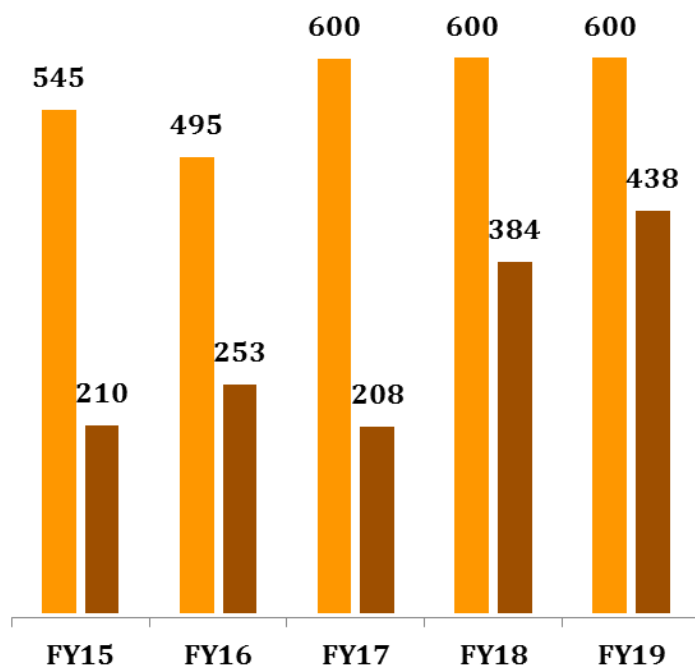


Balance Sheet Highlights – Consolidated

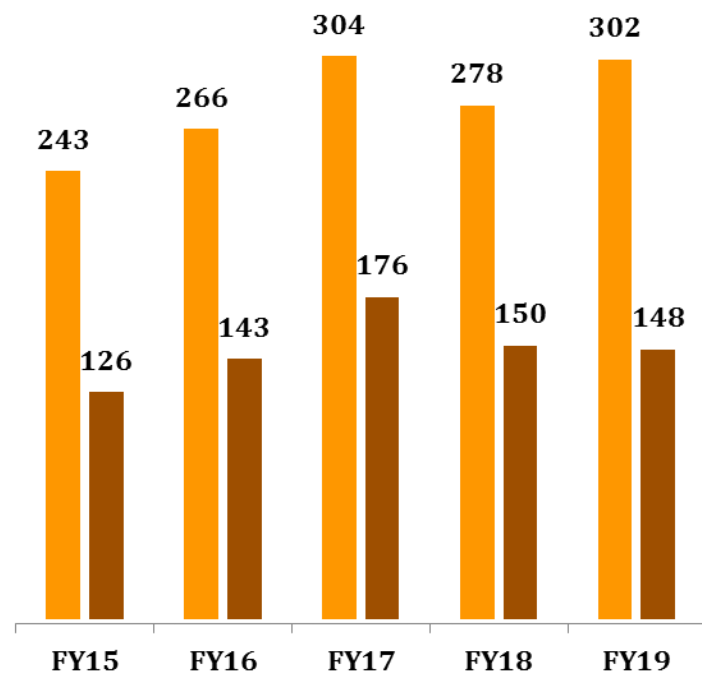
INR in Cr	FY15	FY16	FY17	FY18	FY19
Share Capital	36	36	36	36	36
Tangible Network	1,292	1,230	1,358	1,577	1,778
Long Term Borrowings	999	966	1,015	1,059	1,128
Other Liabilities	726	595	706	741	723
Total Liability	3,053	2,827	3,115	3,413	3,665
Net Fixed Asset Block	1,382	1,351	1,200	1,447	1,397
CWIP	427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

Yearly Volume Trend

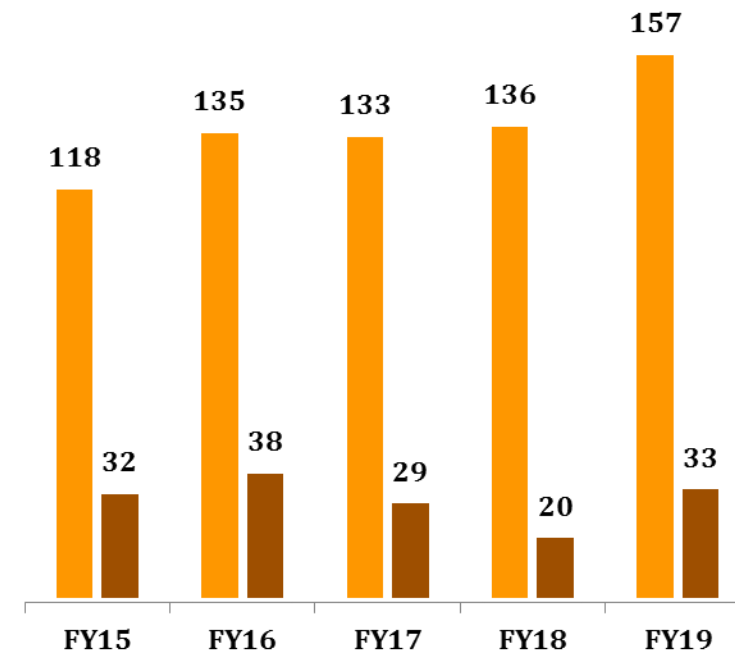
Iron Ore Pellets



Sponge Iron



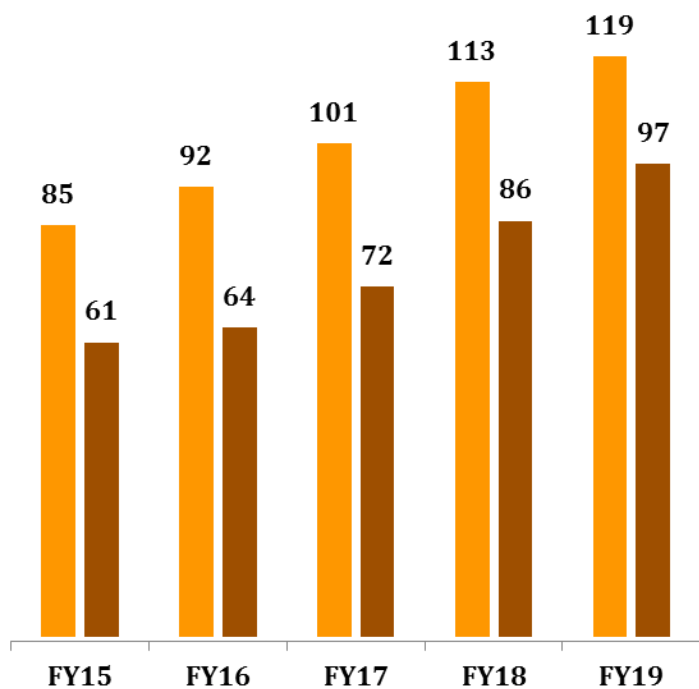
Steel Billet



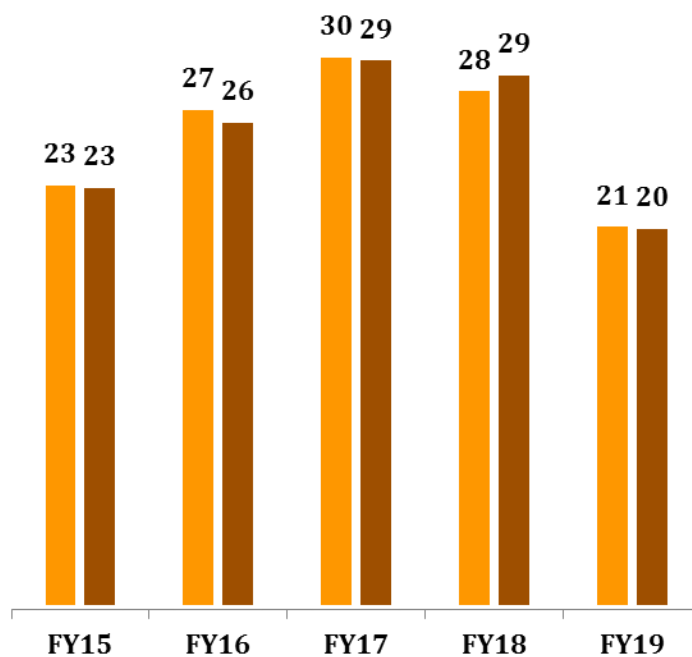
■ Production ■ Sales

Yearly Volume Trend (2)

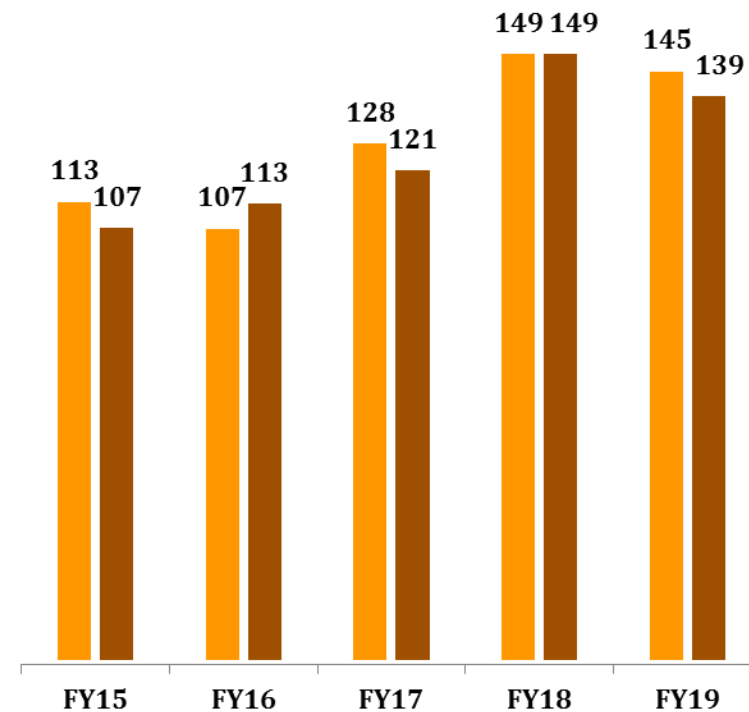
Wire Rod



H. B Wires



Ferro Alloys

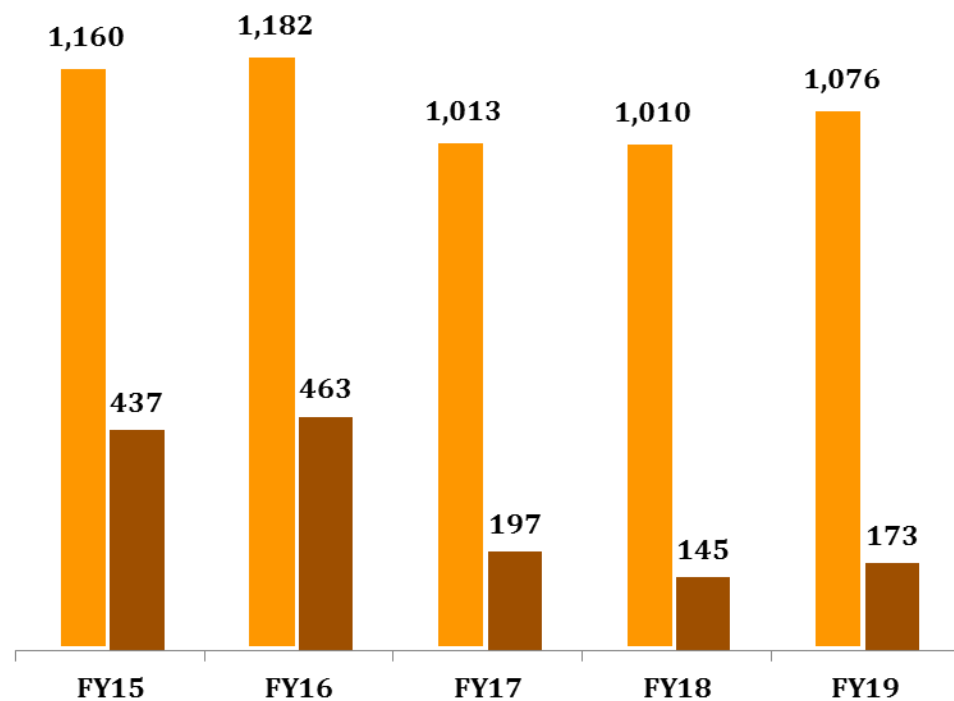


Production Sales

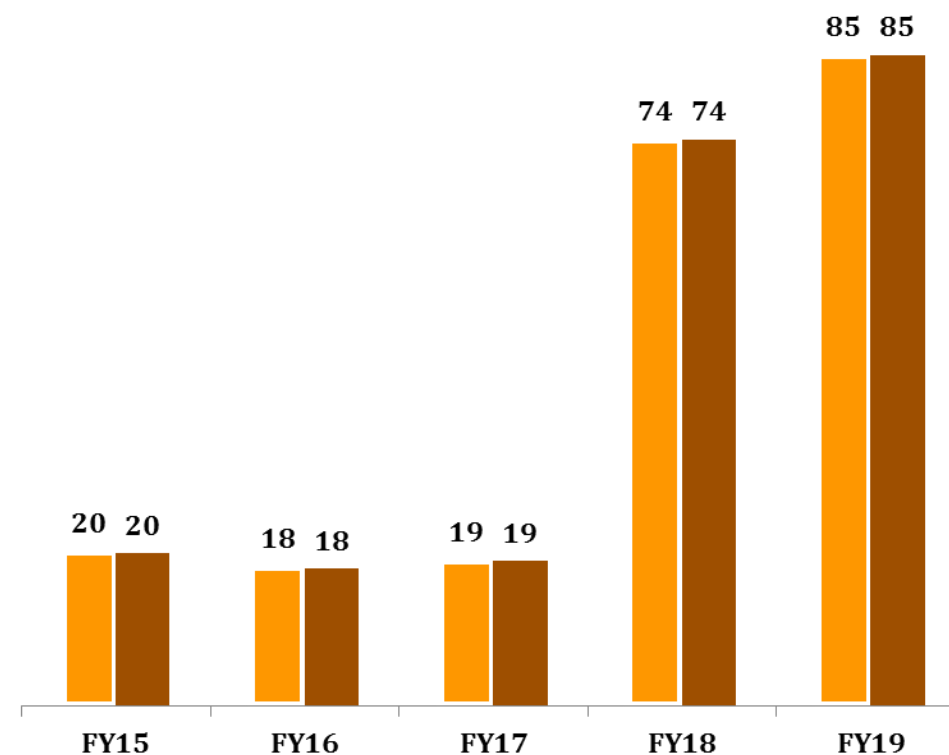
All Fig. in '000 MT unless specified
 Note: A part of all production is captively consumed for production of downstream products

Yearly Power Generation

Power (Thermal)



Power (Hydro)



Generation Sales

Thank You



Mr. Nilay Joshi (Head – Corporate Finance)

njoshi@seml.co.in

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