

**PRESS RELEASE**

2<sup>nd</sup> February, 2019

**Sarda Energy & Minerals Limited (SEML)** reports consolidated and standalone financial results for the 3<sup>rd</sup> quarter ended 31<sup>st</sup> December, 2018.

**Operating Highlights**

- i. Highest ever Iron ore production for 9 months FY19- 297648 MTs.
- ii. Highest ever captive iron ore consumption during 9 months 379137 Vs. 253937 (Growth 49%).
- iii. Highest ever PBT for Q3 FY19 Rs 112 Cr and for 9 months FY19 Rs 262 Cr.
- iv. Highest ever PAT for Q3 FY19 Rs 77 Cr and for 9 months FY19 Rs 161 Cr.

**Financial Performance – Consolidated**

- Revenue from Operations Rs. 614Cr (increase 17% YoY and 4% QoQ).
- Operating EBIDTA Rs. 133 Cr. against Rs. 128Cr in Q2 and Rs. 97 Cr in Q3 FY18 (increase 37% YoY and 4% QoQ).
- PAT Rs. 77Cr as against Rs. 54 Cr in Q3 FY18 and Rs. 40Cr in Q2 FY19.

**Financial Performance – Standalone**

- Revenue from Operations Rs. 442 Cr (increase 25 % YoY and 6% QoQ).
- Operating EBIDTA Rs. 100Cr against Rs. 66 Cr in Q3 FY18 and Rs. 99 Cr in Q2 FY19 (increase 52% YoY and 1% QoQ).
- PAT Rs 65Cr as against Rs 34Cr in Q3 FY18 and Rs. 60 Cr in Q2 FY19.

**Production & Sales (Consolidated)**

**Production**

Products	UOM	Quarter Ended					FY18
		Q3FY19	Q2FY19	Q3FY18	Growth %		
		A	B	C	QoQ	YoY	
Iron Ore Pellet	MT	171198	162,335	154504	5.46	10.80	599,950
Sponge Iron	MT	76379	69,243	62712	10.31	21.79	278,147
Steel Billet	MT	36156	38,727	34299	-6.63	5.41	136,349
Wire Rod	MT	26762	31,277	28406	-14.44	-5.79	113,466
H.B Wire	MT	2826	4,699	7060	-39.86	-59.97	27,763
Ferro Alloys	MT	35643	38,830	35211	-8.21	1.23	149,258

Power (Thermal)	Mn Kwh	271.49	273.22	252.14	-0.63	7.67	1,010.37
Power (Hydro)	Mn Kwh	15.84	52.20	22.63	-69.65	-30.00	82.23

Hydro power generation is seasonal and hence not comparable QoQ.  
 Production of Steel Billet, wire rod and consequently power generation was low because of shutdown taken for capital maintenance of Power Plant.

## Sales

Products	UOM	Quarter Ended					FY18
		Q3FY19	Q2 FY19	Q3FY18	Growth %		
		A	B	C	QoQ	YoY	
Iron Ore Pellet	MT	88469	155,449	124943	-43.09	-29.19	383,831
Sponge Iron	MT	42165	27,898	34426	51.14	22.48	150,415
Steel Billet	MT	9194	5,957	5363	54.34	71.43	19,633
Wire Rod	MT	24481	26,018	21733	-5.91	12.64	85,567
HB Wire	MT	2851	4,689	7250	-39.20	-60.68	28,615
Ferro Alloys	MT	30320	39,215	33386	-22.68	-9.81	149,316
Power (Thermal)	MnKwH	53.99	35.28	37.41	53.03	44.32	145.30
Power (Hydro)	MnKwH	15.84	52.20	22.63	-69.66	-30.00	82.23

Note:

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 third quarter we exported 16,331 MTs of Ferro alloys against 24611 MTs in Q2FY19 and 18291MTs in Q3FY 18. The company has also exported 53790 MTs of Iron ore pellet during the quarter for the first time.

## Sarda Metals & Alloys Ltd.

### Production

Product	UOM	Quarter Ended					FY 18
		Q3FY19	Q2FY19	Q3FY18	Growth %		
		A	B	C	QoQ	YoY	
Ferro Alloys	MT	19092	21,128	20071	-9.63	-4.88	83,760
Power	Mn Kwh	135.69	129.23	126.44	5.00	7.32	499.37

The fall in production is on account of increased power sale during October 2018 by reducing captive consumption. Ferro alloys plant capacity utilization during 9 months has gone up by 5.5% YoY.

### Sales

Product	UOM	Quarter Ended					Year ended
		Q3FY19	Q2FY19	Q3FY18	Growth %		
		A	B	C	QoQ	YoY	31.03.18
Ferro Alloys	MT	15822	22,492	17658	-29.65	- 10.40	85,129
Power (Sales)	Mn Kwh	48.26	29.59	32.21	63.10	49.83	127.82

### OTHER ASPECTS

Public hearing for increase in the production of Iron ore pellets has taken place. Further process for environmental clearance is going on. The steel plant expansion is expected by end of this FY. Work on the 25 MW Rehar hydro power project will be started in the next quarter.

### 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 geology dependent 15 KM long Tunnel and Adit excavation, including single stretch excavation of 3.9 KMs without any opening in-between, is over. The company has so far spent about Rs. 1018 Crores on the project.

### Debt Position

As of 31<sup>st</sup> December, 2018 the long term loans stood at Rs. 131 crores on standalone balance sheet out of which Rs. 24 crores are payable within next one year. On consolidated balance sheet Long term loans stood at Rs. 1086 crores (including Loan of Rs. 531 crores for the 96 MW hydro power project under construction) out of which Rs. 64 crores are payable within next one year. The company has met all its debt service obligations on time. Total Borrowing at consolidated level stood at Rs. 1325 crores.



## **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 Quarter2FY19 future outlook. 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.

For more details, visit [www.seml.co.in](http://www.seml.co.in) or contact

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