



# Sarda Energy and Minerals Limited

'It's Energy and Minerals, Not Only Steel'



Investor Presentation | Q4 & FY23

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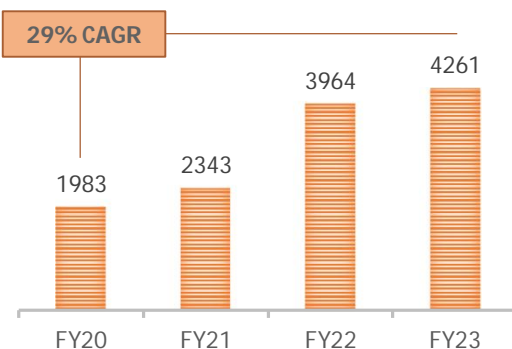


## **Q4 & FY23 | Key Highlights**

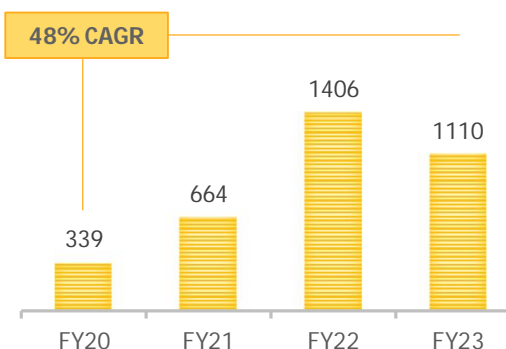
# FY23 – Highest Ever Revenue with Healthy Profitability



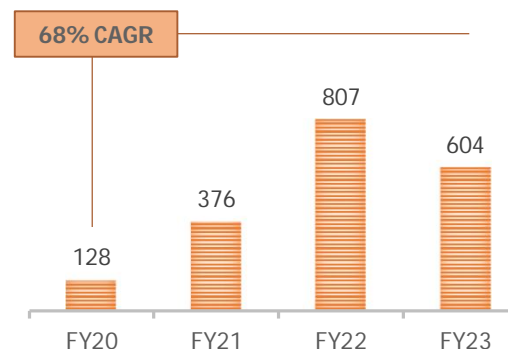
TOTAL INCOME (INR CR)



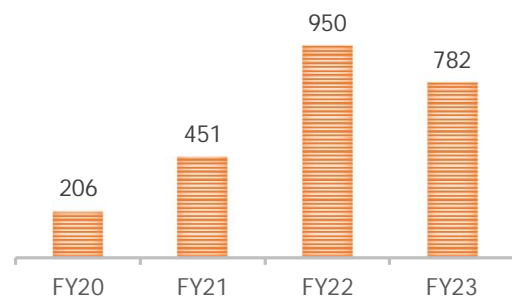
EBITDA (INR CR)



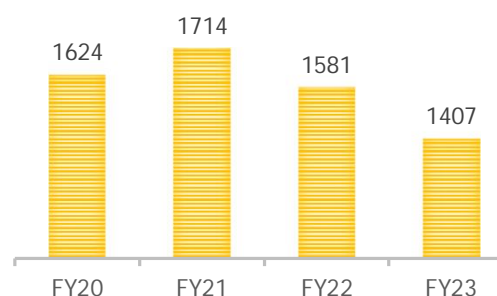
PAT (INR CR)



CASH PROFIT (INR CR)



GROSS DEBT (INR CR)



DIVIDEND (INR/SHARE)



Announced Equity Shares Split from Face Value of **INR 10/share to INR 1/share**; \* Includes special dividend of **INR 7.5/share**

## FY23 – Highest Ever Operational Performance Across Most Segments



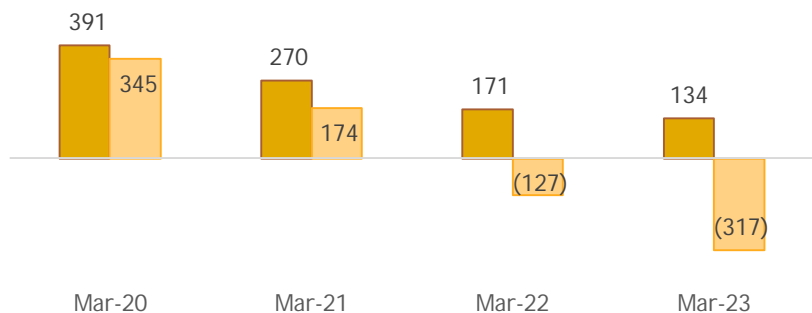
- Highest Ever Annual Production and Sales of **Iron Ore Pellet** at **800,000 MT and 521,972 MT** respectively
- Highest Ever Annual Production and Sales of **Wire Rod** at **189,911 MT and 151,116 MT** respectively
- Highest Ever Annual Production and Sales of **H.B. Wire** at **39,310 MT and 39,730 MT** respectively
- Highest Ever Annual Generation of **Thermal Power** at **1083 Mn Kwh**
- Highest Ever Annual Generation & Sales of **Hydro Power** at **494 Mn Kwh**
- Strong First Full Year of Operations for **Coal** with Production at **1.2 MnT and Sales at 870,133 MT**

# Improvement in Debt Profile and Credit Rating



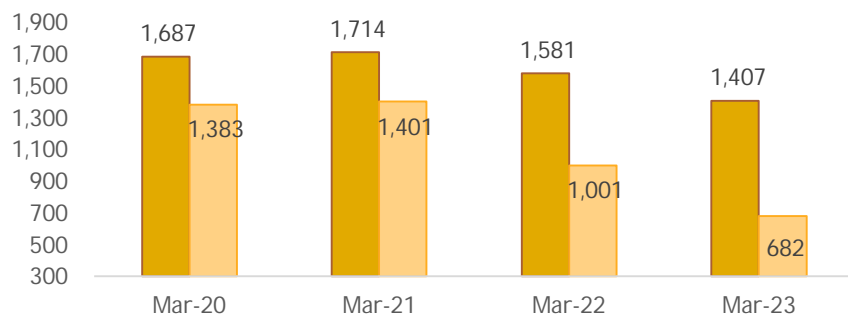
## Standalone (INR Cr)

■ Gross Debt ■ Net Debt\*



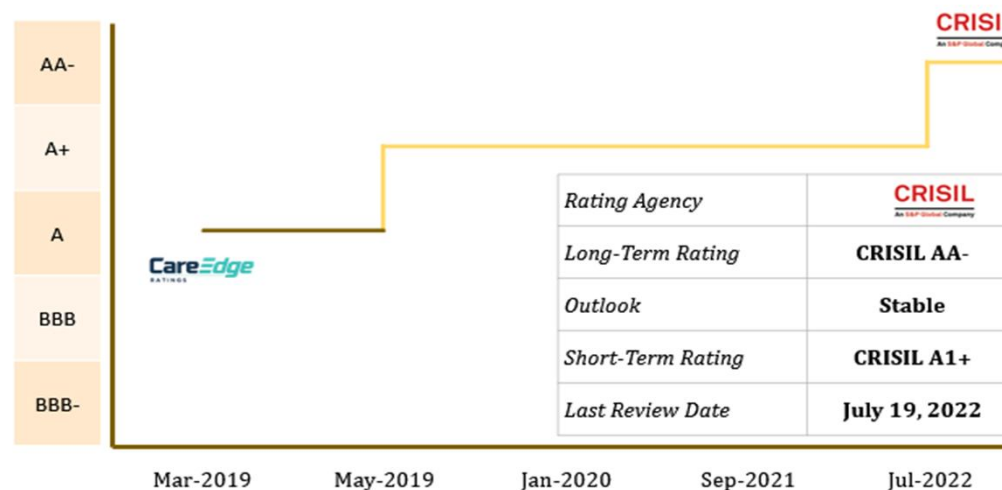
## Consolidated (INR Cr)

■ Gross Debt ■ Net Debt\*



\* Net Debt is calculated as Gross Debt minus Current Investments and Cash & Bank

## SEML - Credit Ratings – Upward Trajectory



Name of Subsidiary	Reviewed on	Current	Previous
Sarda Metals & Alloys Ltd (SMAL)	Jul-2022	<b>CRISIL A/Stable/A1</b>	CRISIL BBB+/Positive/A2
Chhattisgarh Hydro Power LLP (CHPLLP)	Aug-2022	<b>ICRA A/Stable</b>	ICRA A-/Stable
Madhya Bharat Power Corporation Ltd (MBPCL)	May-2023	<b>IND A+/Stable/A1</b>	IND A-/Stable/A2+

# Update on Ongoing Projects



## Mining

- **Gare Palma IV/7 Coal Mine, Chhattisgarh** received consent to operate at a higher capacity of **1.44 MTPA** (previously 1.2 MTPA) in May-23 and seeking approvals for further enhancement to 1.80 MTPA
- **Shahpur West Coal Mine, Madhya Pradesh** (Extractable reserves of **13.4 MT** and Production capacity of **0.6 MTPA**) received Consent to Establish (CTE) and EAC has recommended for Environmental Clearance (EC).
- **Bidding for additional Mining Assets**
  - ✓ SEML awarded MDO contract for Kalyani coal mine in Chhattisgarh by South-Eastern Coalfields Ltd (SECL) on a 4.50% revenue share basis
  - ✓ Subsidiary JV Company of SEML declared as **Preferred Bidder for Surjagad 1 unexplored Iron Ore Block** in Maharashtra with 126.35% revenue share
- **Capacity expansion of Coal Washery from 0.96 MTPA to 1.8 MTPA is under process**

## Steel

- Received consent for capacity expansion of **Wire Rod Mill from 180,000 MT to 250,000 MT, on 15-Mar-23**

## Ferro

- **Commissioned 36 MVA of new capacity** at the Vizag facility on 15<sup>th</sup> Dec, 2022.
- Consequently, the total Ferro Alloys capacity (at consolidated level) **has increased from 111 MVA to 147 MVA**

## Hydro

- The total **Green Power capacity at ~163.3 MW is higher than Thermal Power**
- **Further, 24.9 MW plant** is being installed on the Rehar river in Chhattisgarh - **construction has started; Expected to achieve CoD in FY25**



# Consolidated P&L Highlights



INR in Cr	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
Revenue from Operations	1,076	1,058	2%	908	19%	4,212	3,914	8%
Other Income	24	34		44		49	50	
<b>Total Income</b>	<b>1,100</b>	<b>1,092</b>	<b>1%</b>	<b>952</b>	<b>16%</b>	<b>4,261</b>	<b>3,964</b>	<b>7%</b>
Raw Material	709	581		550		2,495	2,086	
Employee Expenses	31	36		31		127	113	
Other Operating Expenses	122	89		132		529	360	
<b>EBITDA</b>	<b>238</b>	<b>386</b>	<b>-38%</b>	<b>239</b>	<b>-1%</b>	<b>1,110</b>	<b>1,406</b>	<b>-21%</b>
<b>EBITDA Margin (%)</b>	<b>21.6%</b>	<b>35.3%</b>		<b>25.1%</b>		<b>26.0%</b>	<b>35.5%</b>	
Depreciation	45	46		45		178	143	
Finance Cost	28	45		33		124	147	
Exceptional Expenses	0	4		0		0	7	
<b>Profit Before Tax</b>	<b>165</b>	<b>291</b>	<b>-43%</b>	<b>161</b>	<b>2%</b>	<b>807</b>	<b>1,108</b>	<b>-27%</b>
Tax	49	86		30		202	300	
Share of P/L of Associates and JV	-1	2		-1		-1	-2	
<b>Profit After Tax</b>	<b>115</b>	<b>207</b>	<b>-45%</b>	<b>130</b>	<b>-12%</b>	<b>604</b>	<b>807</b>	<b>-25%</b>
<b>PAT Margin (%)</b>	<b>10.4%</b>	<b>18.9%</b>		<b>13.7%</b>		<b>14.2%</b>	<b>20.3%</b>	
<b>EPS (INR)</b>	<b>34.4</b>	<b>59.2</b>		<b>37.0</b>		<b>169.9</b>	<b>223.1</b>	
<b>Operating EBITDA *</b>	<b>209</b>	<b>349</b>	<b>-40%</b>	<b>197</b>	<b>6%</b>	<b>1,052</b>	<b>1,339</b>	<b>-21%</b>
<b>Operating EBITDA Margin (%)</b>	<b>19.4%</b>	<b>33.0%</b>		<b>21.7%</b>		<b>25.0%</b>	<b>34.2%</b>	

1) Consolidated financial results are not comparable QoQ due to the seasonal nature of Hydro Power business; 2) Other Income includes effect of Mark-to-Market gain/loss on Investment;  
 3) \* Operating EBITDA excludes Other Income and non-operating gain/loss under Other Expenses

# Standalone P&L Highlights



INR in Cr	Q4FY23	Q4FY22	YoY	Q3FY23	QoQ	FY23	FY22	YoY
Revenue from Operations	816	761	7%	698	17%	3,020	2,642	14%
Other Income	17	27		41		87	75	
<b>Total Income</b>	<b>833</b>	<b>788</b>	<b>6%</b>	<b>738</b>	<b>13%</b>	<b>3,108</b>	<b>2,717</b>	<b>14%</b>
Raw Material	511	385		419		1,789	1,467	
Employee Expenses	23	28		24		95	82	
Other Operating Expenses	77	64		77		296	216	
<b>EBITDA</b>	<b>223</b>	<b>311</b>	<b>-28%</b>	<b>218</b>	<b>2%</b>	<b>929</b>	<b>953</b>	<b>-3%</b>
<b>EBITDA Margin (%)</b>	<b>27.3%</b>	<b>39.5%</b>		<b>31.2%</b>		<b>30.7%</b>	<b>35.1%</b>	
Depreciation	17	15		17		66	54	
Finance Cost	5	7		4		16	22	
Exceptional Items	0	0		0		0	0	
<b>Profit Before Tax</b>	<b>202</b>	<b>289</b>	<b>-30%</b>	<b>198</b>	<b>2%</b>	<b>847</b>	<b>877</b>	<b>-3%</b>
Tax	53	74		46		208	217	
<b>Profit After Tax</b>	<b>149</b>	<b>215</b>	<b>-31%</b>	<b>151</b>	<b>-2%</b>	<b>638</b>	<b>660</b>	<b>-3%</b>
<b>PAT Margin (%)</b>	<b>17.8%</b>	<b>27.2%</b>		<b>20.5%</b>		<b>20.5%</b>	<b>24.3%</b>	
<b>EPS (INR)</b>	<b>42.2</b>	<b>59.6</b>		<b>42.9</b>		<b>180.2</b>	<b>183.0</b>	
<b>Operating EBITDA *</b>	<b>205</b>	<b>283</b>	<b>-28%</b>	<b>176</b>	<b>16%</b>	<b>836</b>	<b>874</b>	<b>-4%</b>
<b>Operating EBITDA Margin (%)</b>	<b>25.1%</b>	<b>37.2%</b>		<b>25.2%</b>		<b>27.7%</b>	<b>33.1%</b>	

1) Other Income includes effect of Mark-to-Market gain/loss on Investment; 2) \* Operating EBITDA excludes Other Income and non-operating gain/loss under Other Expenses;

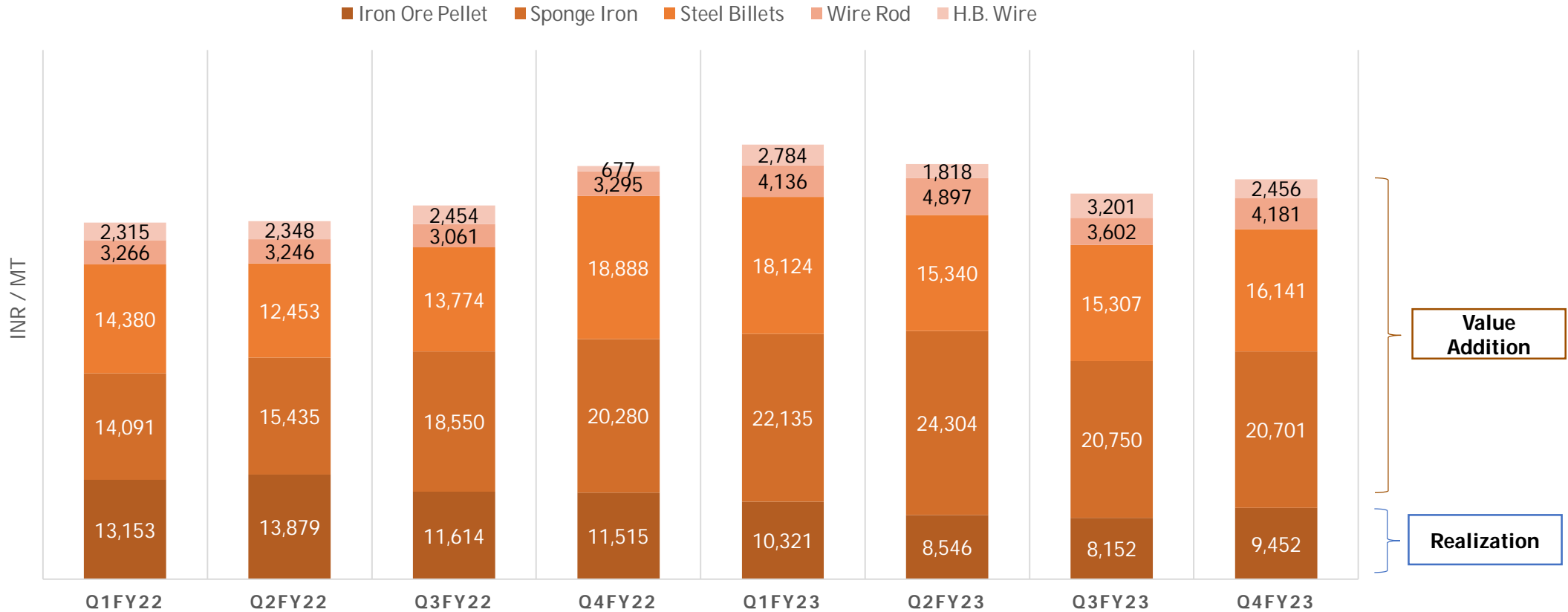
## Balance Sheet – Conservative Capital Structure and Comfortable Liquidity Position



Liabilities (INR Cr)	Consolidated		Standalone	
	Mar-22	Mar-23	Mar-22	Mar-23
<b>Shareholder's Funds</b>	<b>3,004</b>	<b>3,410</b>	<b>2,643</b>	<b>3,103</b>
Share capital	36	35	36	35
Other equity	2,968	3,375	2,607	3,067
<b>Minority Interest</b>	<b>104</b>	<b>100</b>	-	-
<b>Non-Current Liabilities</b>	<b>1,364</b>	<b>1,220</b>	<b>224</b>	<b>156</b>
Long-term borrowings	1,196	1,063	143	83
Other financial liabilities	10	19	3	3
Long-term provisions	34	36	30	31
Deferred tax liability	124	102	48	40
<b>Current Liabilities</b>	<b>826</b>	<b>751</b>	<b>308</b>	<b>245</b>
Short-term borrowings	385	344	28	56
Trade payables	212	135	142	55
Other financial liabilities	169	158	91	82
Short-term provisions	3	2	2	1
Other current liabilities	47	108	39	47
Current tax liability (net)	12	4	8	4
<b>Total Equities &amp; Liabilities</b>	<b>5,298</b>	<b>5,481</b>	<b>3,175</b>	<b>3,504</b>

Assets (INR Cr)	Consolidated		Standalone	
	Mar-22	Mar-23	Mar-22	Mar-23
<b>Non-Current Assets</b>	<b>3,139</b>	<b>3,202</b>	<b>1,796</b>	<b>1,772</b>
Property, plant & equipment	2,701	2,758	511	520
Capital W.I.P	132	130	68	28
Investment property	47	46	38	38
Intangible assets (incl. WIP)	106	103	39	38
Investment in associates/JV	21	36	-	-
Financial assets	36	39	1,073	1,091
Other non-current assets	96	88	66	58
<b>Current Assets</b>	<b>2,159</b>	<b>2,280</b>	<b>1,379</b>	<b>1,732</b>
Inventories	613	727	429	549
Trade receivables	169	182	93	90
Investments	452	353	274	211
Cash & cash equivalents	282	372	23	241
Loans & advances	431	407	385	462
Current tax assets (net)	4	4	0	0
Other current assets	208	236	175	180
<b>Total Assets</b>	<b>5,298</b>	<b>5,481</b>	<b>3,175</b>	<b>3,504</b>

# Steel Segment – Stable Price Trend

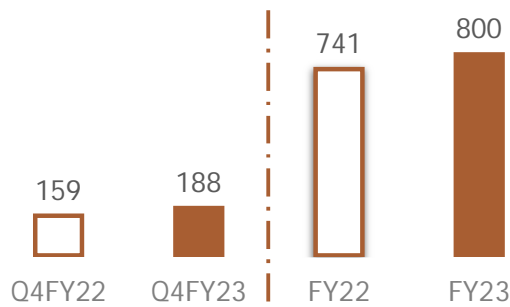


# Steel Segment: Stable Demand Across Most Products

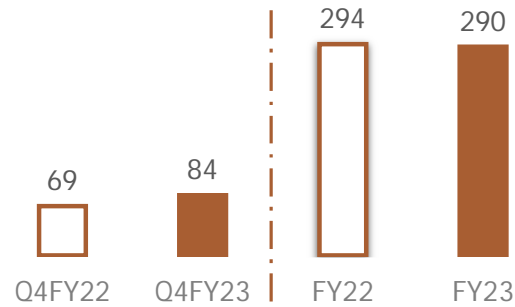


Production

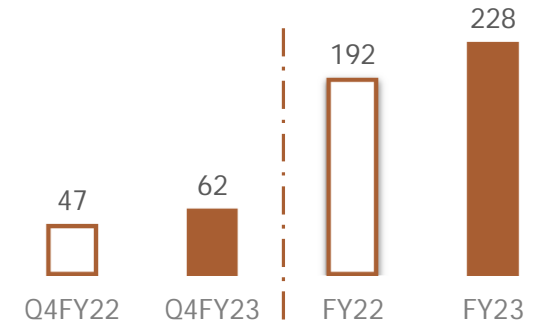
Iron Ore Pellet ('000 MT)



Sponge Iron ('000 MT)

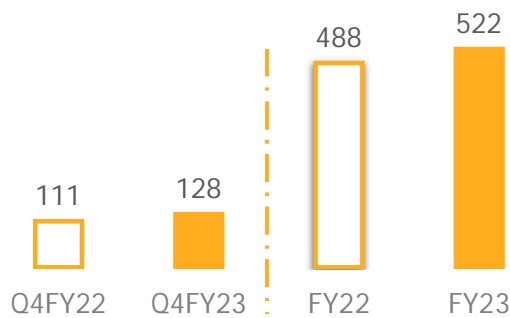


Steel Billet ('000 MT)

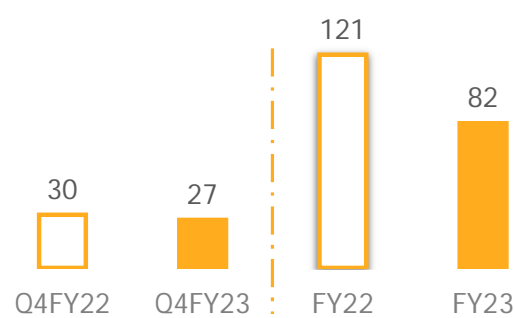


Sales\*

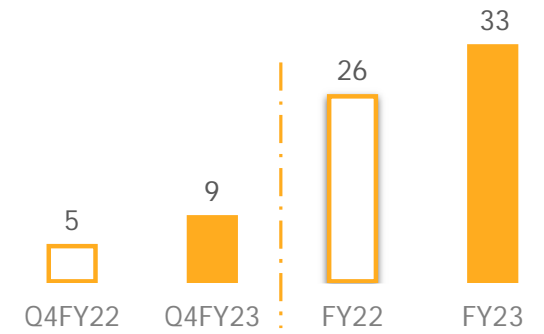
Iron Ore Pellets ('000 MT)



Sponge Iron ('000 MT)



Steel Billet ('000 MT)



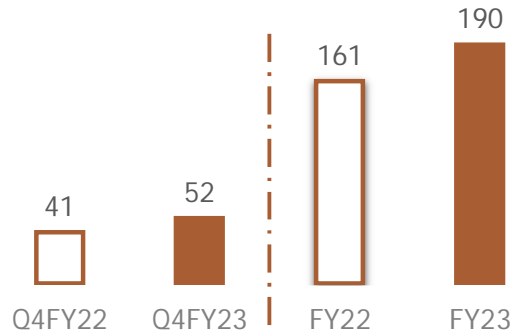
\*Part of production is captively consumed in production of downstream products

# Steel Segment: Focus on Selling Value-Added Products

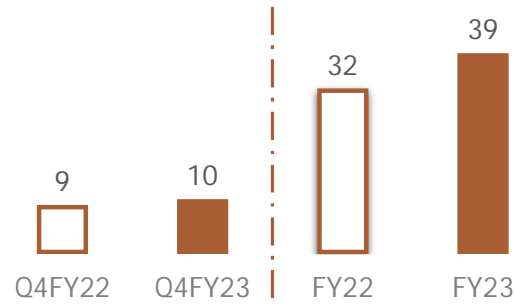


Production

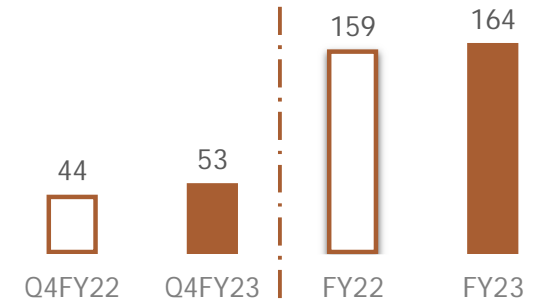
Wire Rod ('000 MT)



H. B Wires ('000 MT)

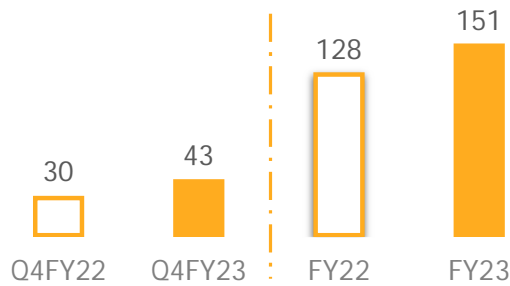


Ferro Alloys ('000 MT)

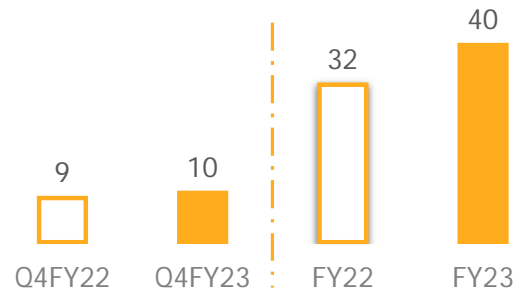


Sales\*

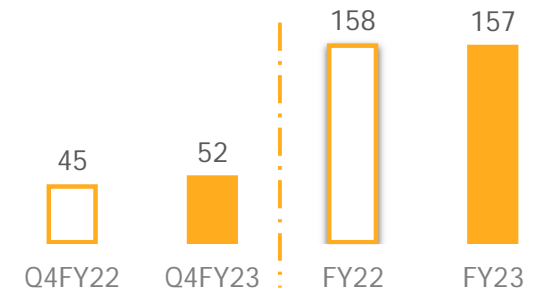
Wire Rod ('000 MT)



H. B Wires ('000 MT)



Ferro Alloys ('000 MT)



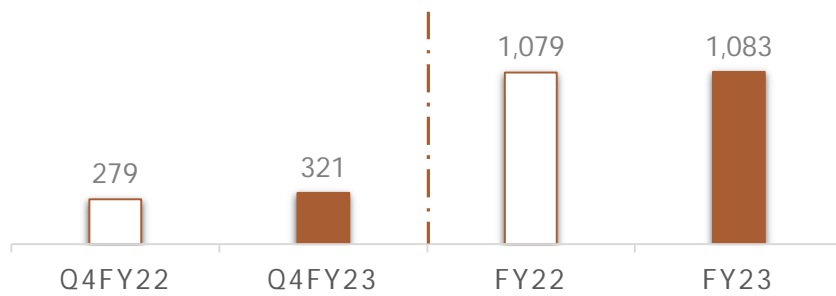
\*Part of production is captively consumed in production of downstream products

# Power Segment - Generation & Sales

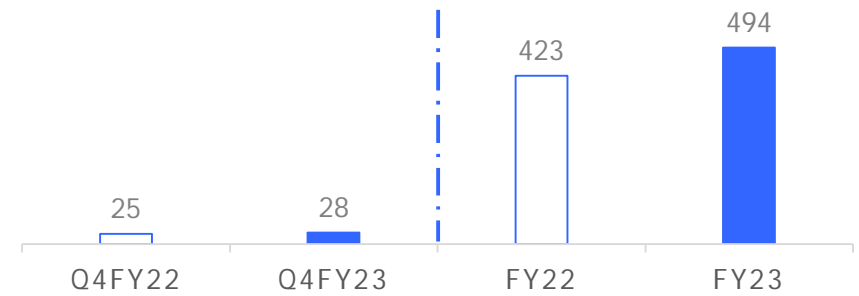
**Thermal Power + Waste Heat = Total Capacity 161.5 MW**

**Hydro Power: Total Operational Capacity ~143 MW**

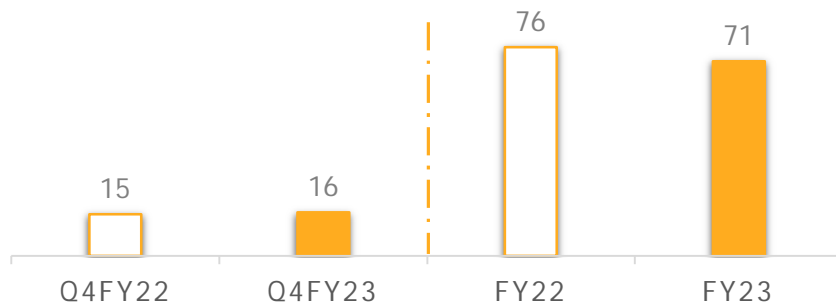
GENERATION (MN KWH)



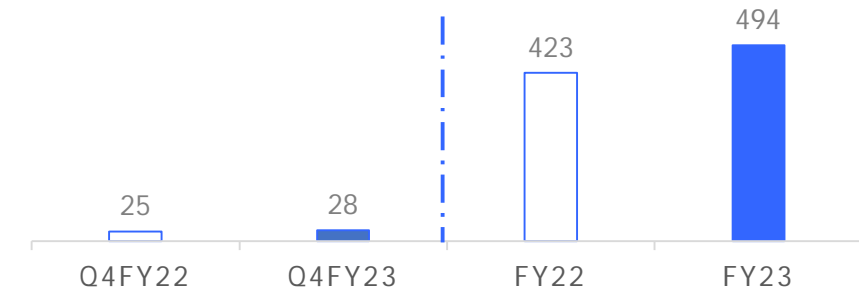
GENERATION (MN KWH)



SALES (MN KWH)



SALES (MN KWH)



# Key Strategies to Drive Growth and Competitive Advantage



## Ownership of Key Mineral Assets

### Reduce Input Costs and Ensure Consistent Supply

- *Gare Palma IV/7 Coal Mine: Commissioned in Jan-22*
- *Shahpur West Coal Mine: Received CTE, EC recommended.*
- *Kalyani Coal Mine: Awarded MDO contract by SECL in Feb-23*
- *Surjagad 1 Iron Ore Block in Maharashtra: Declared as Preferred Bidder in May-23*



## Strong Focus on ESG

- *Existing Hydropower portfolio of 141.8 MW, plus 24.9 MW Rehar Hydropower plant under execution*
- *Few more small hydropower projects are under different stages of approval*
- *Existing 21.5 MW of Waste Heat power generation*
- *Prudent governance philosophies and sustainable business practices with strong focus on social responsibility*

## Capacity Expansion

- *Commissioned **36 MVA Ferro Alloys furnace** in Vizag in Dec-22, ahead of schedule*
- *Wire drawing capacity increased to **45,000 MT** from 30,000 MT*
- *Received consent for capacity expansion of Wire Rod Mill **from 180,000 MT to 250,000 MT, on 15-Mar-23***
- *Gare Palma Coal Mine Expansion: 1.2 MMT p.a. **to 1.44 MMT p.a.** approval received*
- *24.9 MW Rehar Hydropower project under execution in Chhattisgarh*



## Financial Prowess

- *Comfortable liquidity and leverage position – TOL/NW of 0.58x (Mar-23), augurs well for future growth*
- *Set to improve with the increased free cashflow from Hydro Power Projects, and capacity expansion of Coal mine, Pellet plant and Wire Rod Mill*



## Diversification

### Adding Annuity-like Revenue Stream (Hydro)

1. *Commercialized a large sized (113 MW) project at Sikkim in end of Jun-21*
2. *24.9 MW Rehar Hydro Power project under execution in Chhattisgarh*
3. *All future Hydro Projects' equity to be funded from cash flows of Hydro Power business*

### Commercial Mining

1. *Gare Palma IV/7 Coal Mine*
2. *Shahpur West Coal Mine*
3. *Kalyani Coal Mine*
4. *Surjagarh Iron Ore Mine*

**Well placed to continue on the growth trajectory**





**SEML | Beyond Steel**

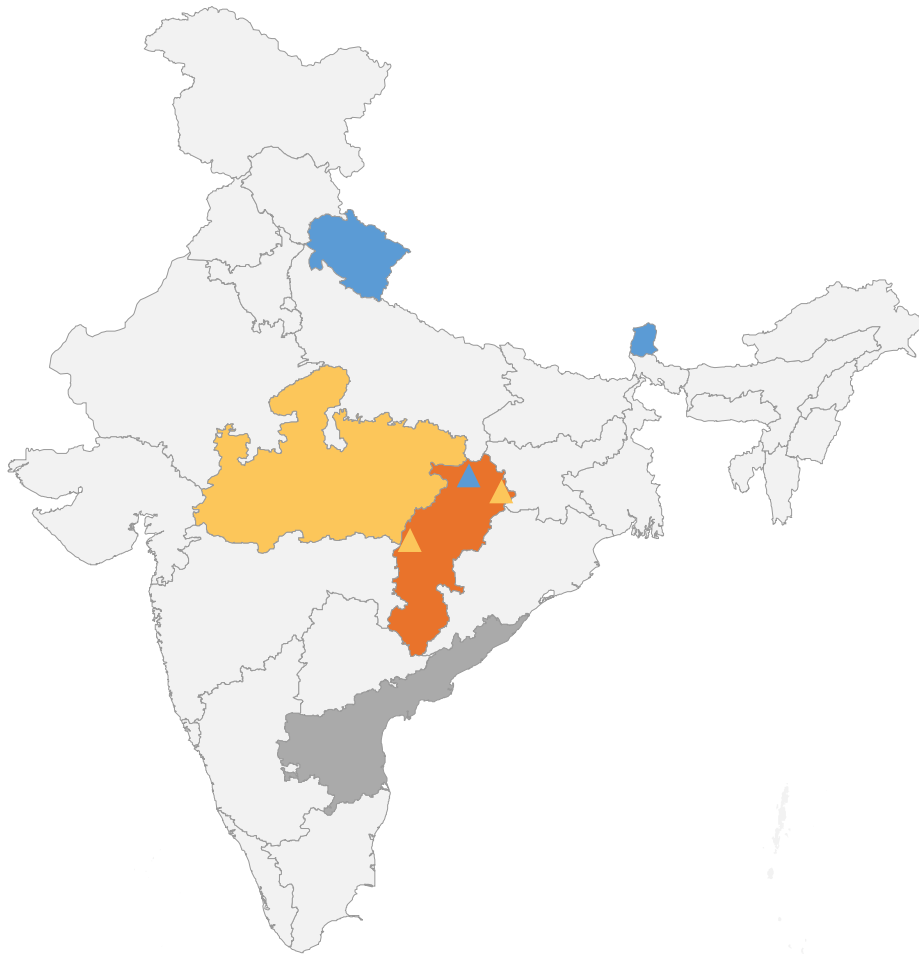
# Robust Business Model with Diversified Business



## Adding Value through Minerals and Energy

MINERALS			METALS			HYDRO	
<ul style="list-style-type: none"> <li>✓ Captive <b>Iron Ore mine</b> and commercial <b>Coal Mines</b> provide <b>long term stability</b> of raw materials &amp; energy</li> <li>✓ Iron ore mines located <b>within 140 kms</b> and coal mines <b>within 200 kms</b> of the end-user plant at Siltara, Chhattisgarh, thereby further improving operational efficiencies</li> <li>✓ Iron Ore mine meet <b>~40%</b> and Coal mines will meet <b>~100%</b> of the captive requirement of the company. One more commercial iron ore mine acquired.</li> <li>✓ Coal Mines have <b>surplus coal for commercial sale</b></li> </ul>			<ul style="list-style-type: none"> <li>✓ Vast experience of <b>50 years</b> in Steel Manufacturing</li> <li>✓ Vertically integrated producer of <b>Steel Products</b></li> <li>✓ Leading manufacturer &amp; exporter of manganese-based <b>Ferro Alloys</b></li> <li>✓ Captive inputs like <b>Iron Ore and Coal Mines</b>, and dedicated <b>Thermal &amp; Waste Heat Power Plants</b> help in maintaining consistent quality and in reducing costs</li> </ul>			<ul style="list-style-type: none"> <li>✓ To de-risk from the cyclicity of Metals business, SEML diversified into renewable energy in <b>Early 2000s</b></li> <li>✓ Forayed with a <b>4.8 MW Hydro Power Plant</b> in 2008</li> <li>✓ Presently, total operational capacity of <b>~142 MW</b> and under construction capacity of <b>~25 MW</b>. Pipeline of future projects.</li> <li>✓ <b>Annuity-like Revenues</b> with <b>High Margins</b> and <b>Steady Cashflows</b> act as hedge against cyclical cashflows of Metals Business</li> </ul>	
	<b>Total Capacity</b>	<b>Currently Operating</b>	<b>Pellet</b>	<b>Sponge Iron</b>	<b>Billet</b>	<b>Operational</b>	<b>Under Execution</b>
<b>Coal</b>	1.44 MTPA	1.44 MTPA	8 Lac MT	3.6 Lac MT	3 Lac MT		
<b>Iron Ore</b>	1.5 MTPA	0.4-0.5 MTPA	<b>Wire Rod</b>	<b>Hb Wires</b>	<b>Ferro</b>	141.8 MW	24.9 MW
			2.5 Lac MT	45,000 MT	147 MVA		

# Strategically Located Assets – Proximity to Raw Materials and End Users...



## Iron Ore and Coal Mines located within ~140 km and ~200 km respectively, from the End-user plant at Chhattisgarh

Captive Iron Ore Mine at Rajnandgaon, Chhattisgarh (rated capacity of 1.5 MMT p.a.)

Commercial Coal Mine at Gare Palma IV 7, Chhattisgarh (rated capacity of 1.44 MMT p.a.)

Commercial Coal Mine at Shahpur West, Madhya Pradesh (rated capacity of 0.6 MMT p.a.)

## Steel and Ferro plant at Siltara, Chhattisgarh

Pellets (8 lac MT), Sponge Iron (3.6 lac MT), Billets (3 lac MT), Wire Rod (2.5 lac MT), H.B. Wire (36K MT) and Ferro Alloys (45 MVA), backed by Thermal Power (60 MW) and Waste Heat Power (20 MW)

## Ferro Alloys (under SMAL) Plant at Vishakhapatnam

Ferro Alloys Plant at Vizag, ~40 Km from Vishakapatnam Port, has 102 MVA of capacity; backed by Thermal Power (81.5 MW) to cater to the export market

## Hydro Power Business

Hydro Power Plant at Uttarakhand – 4.8 MW

Hydro Power Plant at Chhattisgarh – 24 MW plus 24.9 MW under construction

Hydro Power Plant at Sikkim – 113 MW



# ...Built Over Four Decades of Excellence

1979-89	1989-99	1999-08	2008-18	2018-23
<ul style="list-style-type: none"> <li>▪ Acquired Raipur Wires and Steel as a sick unit in 1979</li> <li>▪ Installed 10 MT electric arc furnace in 1981 to produce ingots</li> <li>▪ Installed continuous casting machine in 1984 for billets production</li> </ul>	<ul style="list-style-type: none"> <li>▪ Installed 25 TPD Electric Arc Furnance in 1990</li> <li>▪ Acquired 3 Power units - 1993-94</li> <li>▪ Installed Two Sponge Iron Kilns of 30K MT each in 1993 &amp; 1995</li> <li>▪ Sold 2 power units and installed one as captive power plant</li> </ul>	<ul style="list-style-type: none"> <li>▪ Company started 24 MW captive power plant and Ferro Alloy plant in 2001</li> <li>▪ Commenced fly ash brick plant</li> <li>▪ Acquired Iron ore mine; Commenced iron ore extraction in 2004</li> </ul>	<ul style="list-style-type: none"> <li>▪ 4.8 MW Hydro power plant commissioned in 2008-09</li> <li>▪ Pellet plant commenced operations in 2009-10</li> <li>▪ 66 MVA Ferro Alloys plant &amp; 81.50 MW Thermal power plant started at Vizag in 2012-13</li> <li>▪ 24 MW Hydro Power project in July 2017 at Chhattisgarh</li> </ul>	<ul style="list-style-type: none"> <li>▪ Billet capacity increased by 50%</li> <li>▪ Pellet capacity increased by 33% in FY21</li> <li>▪ 113 MW Sikkim Hydro Power plant commissioned in Jun-21</li> <li>▪ Gare Palma IV/7 Coal Mine commissioned in Jan-22 and received consent for capacity expansion from 1.2 MMT p.a to 1.44 MMT p.a in May-23</li> <li>▪ Coal washery with capacity of 1 MMT p.a. started production in Feb-22</li> <li>▪ Ferro Alloys capacity increased by 36 MVA in Dec-22, at Vizag plant</li> <li>▪ Capacity Expansion of Wire Rod Mill from 1,80,000MT to 2,50,000MT in Mar-23</li> </ul>

# Well-Experienced and Strong Leadership at the Helm



**Kamal Kishore Sarda**

*CMD*

- Mechanical Engineer with 46 years experience in Iron and Steel Industry
- Responsible for the groups vision and strategic direction



**Pankaj Sarda**

*Joint MD*

- Mechanical Engineer with 18 years experience in Iron and Steel Industry
- Responsible for steering SEML towards the path of growth



**Padam Kumar Jain**

**Director & CFO**

- CA, CS with a rich experience of more than 37 years
- Responsible for group corporate finance, taxation, costing and corporate law compliance.



**Manish Sarda**

**DMD, SMAL**

- MBA in International Business with 25 years of experience in Iron and Steel Industry
- Focused on overall development of commercial activities and Ferro Alloys business
- Chairman of Indian Ferro Alloy Producers' Association



**Neeraj Sarda**

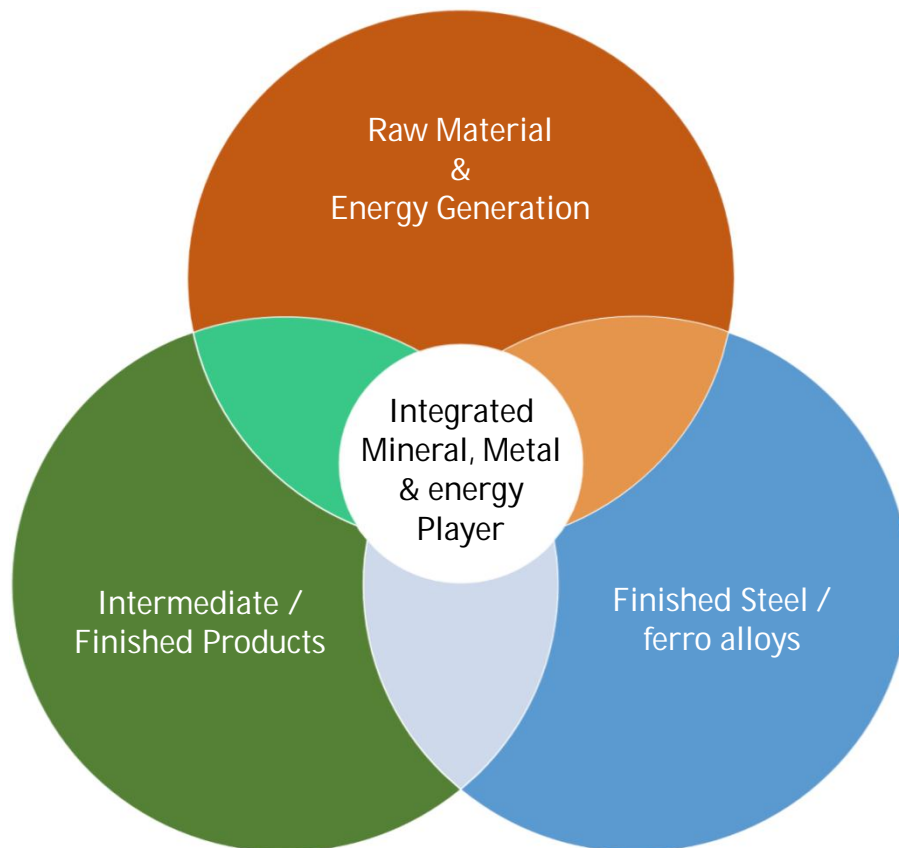
**DMD, SMAL**

- MBA in Finance & Marketing with more than 17 years of experience in Iron & Steel Industry
- Responsible for the entire Vishakhapatnam operations



# Business Segments

# Metals and Mining Business | Vertically Integrated Steel Player...



## Raw Material & Energy Generation

(Captively procured key inputs, assure cost and quality control)



Iron Ore Mine



Coal Mine



Power

## Intermediate / Finished Products

(Flexibility to sell products across entire product value chain)



Pellets



Sponge Iron



Billets

## Finished Products



Wire Rods



HB Wires



Ferro Alloys

## ... Backed by Captive Resources, Driving Down Costs Significantly



### Iron Ore Mines

*(Total Capacity of 1.5 MMT p.a.)*

- Located at Rajnandgaon, Chhattisgarh, which is in proximity of **only ~140 km** from the Company's steel plant at Siltara, Chhattisgarh
- Currently operating at a capacity of **0.4 - 0.5 MMT p.a.**
- Won Surjagarh 1 Iron ore mine to meet long term iron ore requirement with flexibility of commercial sale.



### Coal Mines

*(Total Capacity of 1.44 MMT p.a.)*

- Gare Palma IV/ 7 Coal Mine, operational in Chhattisgarh, having extractable reserves **142 MMT** and production capacity of 1.44 MMT p.a.
- Shahpur West Coal Mine, under development in Madhya Pradesh, having extractable reserves of **13.4 MMT** and production capacity of 0.6 MMT p.a.
- Both mines are **located within ~200 kms** of the end-user plant at Chhattisgarh, thereby further improving the operating efficiencies
- Flexibility of commercial sale



### Captive Thermal + Waste Heat Plants






*(Total capacity of 161.5 MW)*

- Located at both the manufacturing facilities – Siltara (Chhattisgarh) and Vizag
- The combined power generation capacity stands at **161.5 MW**
- The average generation (FY18-22) stands at **~1,026 Mn Kwh p.a.**
- Both plants combined **cater to ~100%** of the Company's in-house power requirement



# Robust Presence Across Steel Products – Siltara Plant in Chhattisgarh...



	Pellets	Sponge Iron	Billets	Wire Rods	HB Wires
<b>Description</b>	 <p>Produced from Iron Ore fines &amp; sold domestically</p>	 <p>Produced from captive Iron Ore Lumps &amp; Pellets</p>	 <p>Semi finished steel product produced by continuous casting process</p>	 <p>Hot rolled product made from direct hot billet charging</p>	 <p>HB Wires- Wire rods are cold drawn to HB wires to sizes</p>
<b>Current Capacity</b>	8,00,000 MT	3,60,000 MT	3,00,000 MT	2,50,000 MT*	45,000 MT^
<b>Captive Consumption</b>	~35%	~60%	~85%	~20%	NA

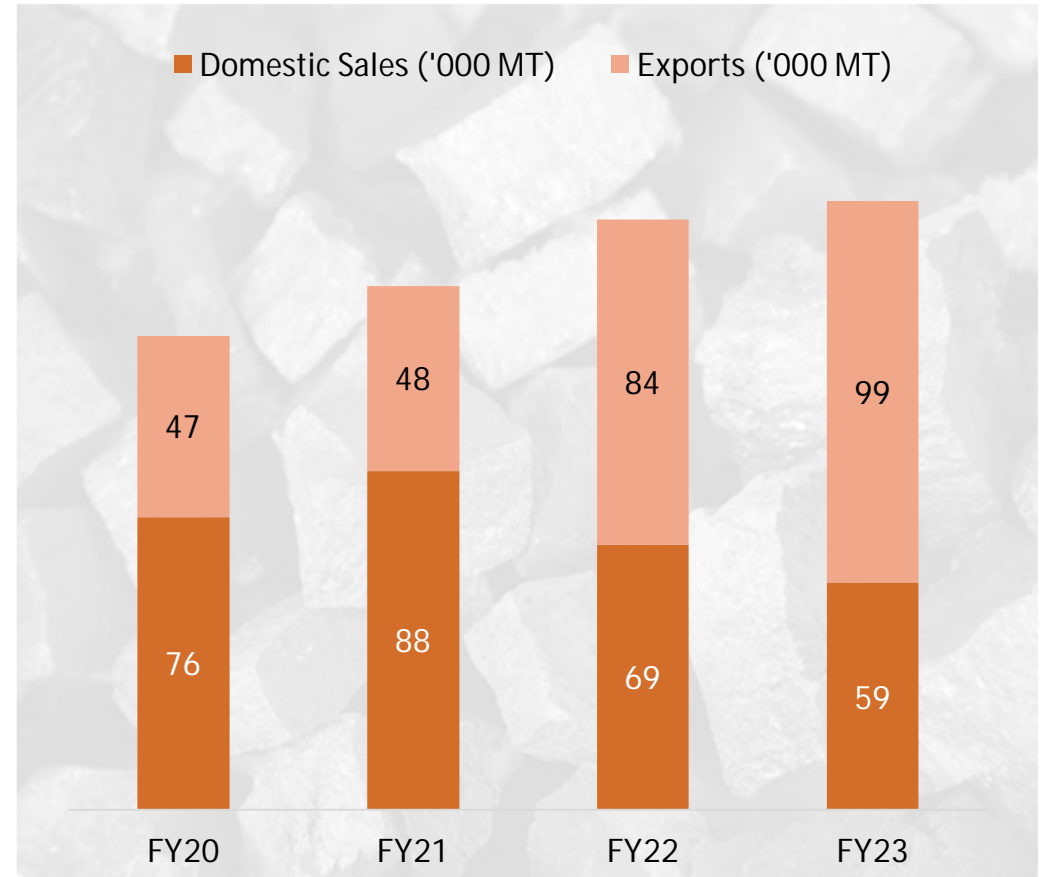
\* Received consent for capacity expansion of Wire Rod Mill from 180,000 MT to 250,000 MT in March 2023

^ Wire drawing capacity increased from 30,000 MT to 45,000 MT, recently

## ...And a Leading Manufacturer and Exporter of Ferro Alloys

- Manufactures manganese-based Ferro Alloys sold domestically as well as exported to other countries
- Leading exporter of manganese-based Ferro Alloys
- **Exports Awards:**
  - *SMAL received prestigious export promotion council award in 2018*
  - *SMAL received Three-Star export house status from GOI*

Plant Location	Current Capacity	Primary Markets
Vishakhapatnam	2*33 MVA 1*36 MVA	Exports
Siltara, Raipur	5*9 MVA	Domestic
<b>Total</b>	<b>147 MVA</b>	



## Hydro Power Business | Operational Assets of ~143 MW...



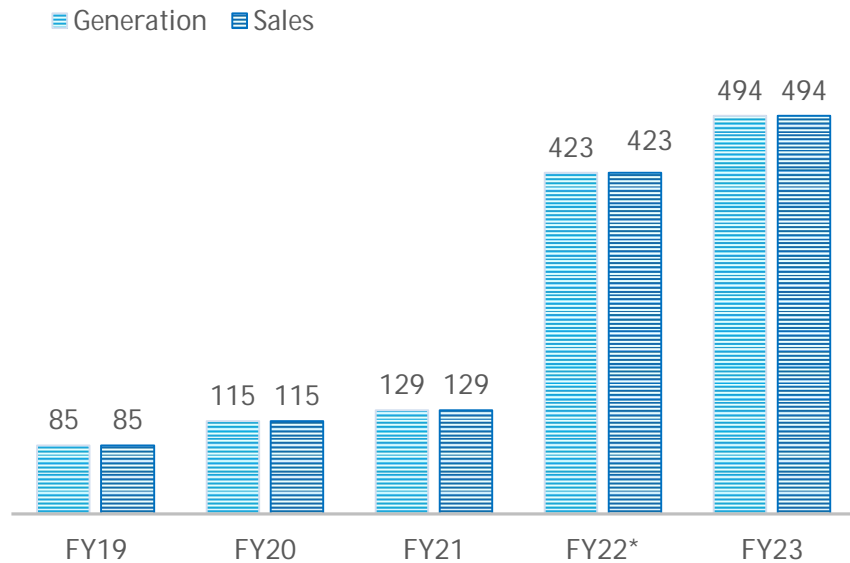
	4.8 MW	24 MW	113 MW
<b>Location</b>	Uttarakhand	Chhattisgarh	Sikkim
<b>Name of the River</b>	Sarju	Gullu	Rongnichu
<b>Year of Commissioning</b>	2008	2017	2021
<b>Tariff</b>	INR 3.85 per unit	INR 5.21 per unit	Final tariff under determination
<b>Term of PPA</b>	30-year PPA with State Discom	35-year PPA with State Discom	35-year PPA with Chhattisgarh State Discom
<b>PLF - FY23</b>	53%	38%	44%
<b>Debt (Mar-23)</b>	Debt Free since 2017	INR 74 Cr	INR 773 Cr
<b>Key Updates</b>	Expansion of 3 MW being proposed	Generating Free Cashflow since its first year	External Credit Rating upgraded by two notches to <b>A+/A1 by India Ratings in May-23</b>

**24.9 MW plant** is being installed on the Rehar river in Chhattisgarh. Expected to achieve COD in FY25

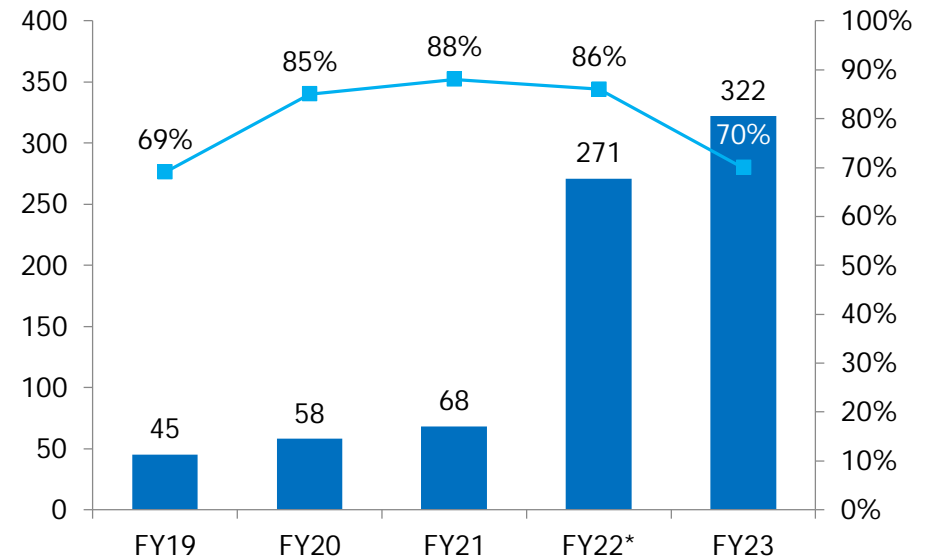
# ...With Track Record of Robust PLF and Annuity-like Revenue + High Margin



Generation and Sales (Mn KWh)



Revenue (INR Cr) & EBITDA Margin (%)



\* Includes the effect of 113 MW Sikkim Hydro Project which was commissioned on June 30, 2021



# Corporate Social Responsibility

# Focus on Safety, Health & Social Responsibility



## Health & Safety

SEML awarded - Appreciation Award for Best Company in the Entire Eastern Region in Safety category

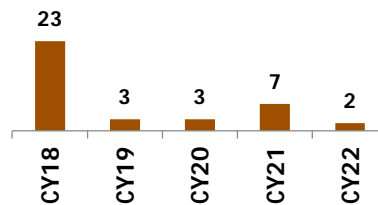
Regular medical check ups & inhouse medical facilities

Incident rate (including minor injuries) has seen a declining trend over past few years

Conducting trainings on safety measures every year

Focus on Preventive & curative healthcare services

## No. of Incidents



## Social Responsibility

Adopted 90 single-teacher schools in the tribal areas of Chhattisgarh

Runs well-equipped ambulance with doctors & has set up first-aid facilities in the villages surrounding its mines

Support to almost 3000 farming families for generating alternative source of income

Support to NGOs like "Pariwar"

Plantation target of 10,000 saplings, of which, 5300 planted

## Education: Enabling Quality Education in Community

- Financial support for school building and infrastructure for affordable quality education 3.20 crores.
- Donation of 22-Seater Bus to Army Officials' Children at Leh
- Providing Teachers for quality education.
- Road Safety Awareness Training in Schools
- Distribution of School Material, Computers for IT education at Saraswati Shishu Mandir, Rajim
- Financial support for 25 EWS Students and rewards to Meritorious students of 10th & 12th
- Support to 50 No. Ekal Vidyalaya's for education development of tribal students
- Created one Model Anganbadi in Siltara Village





## Healthcare: Preventive & Curative Healthcare Services

- Support Of Rs. 2 crores to Udyanchal Trust for Eye Hospital
- Operating Mobile Medical Vans for treatment of downtrodden in remote areas - benefitting 10,000 patients
- 3 Doctors assigned for Community Care
- Training on Institutional delivery to the pregnant women and creation of Model Angan Badi
- Created Janjagrukta on Green Village & Clean Village
- Community Eye Health Check Up Camp in 7 villages
- Support of Tricycle Rikshwa for Swachh Bharat Abhiyan
- Distribution of spectacles to the BPL family patients
- Awareness on Malnourishment in children







## Infrastructure: Creating Community Assets

- Deepening of pond in villages; Construction of culvert in Tada village and other Water Works
- Drinking water line and bore connection with pump at Siltara Primary school
- Road improvement work in surrounding villages
- Development of Civil infrastructure in rural areas
- Construction of Garbage pit in Siltara village under clean village.



## Livelihood: Environmental & Economic Sustainability

- Maha Vrikshropan Abhiyan – 10,000 saplings planted and support for Krishna Kunj Yojana in Surajpur
- Potable water supply in Siltara, Mandhar & Mines area villages
- Livelihood development initiative for physically challenged
- Livelihood promotion through Cattle distribution
- Sewing Training for the Women SHGs of Tada & Murethi, 70 benefited
- Mushroom cultivation training in 10 villages, covered 60 SHGs
- Training on SRI Method of rice cultivation in Akoli Village



'It's Energy and Minerals, Not Only Steel'



## Art, Culture & Sports: Sports & Cultural Development

- Making of Film on awareness about environment and cleanliness
- Training with CBWE on Women Empowerment
- Support for the local cultural programs
- Support to Army Armed Welfare Fund
- Donation for Poor Girls Mass marriage. 11 of them physically challenged couples

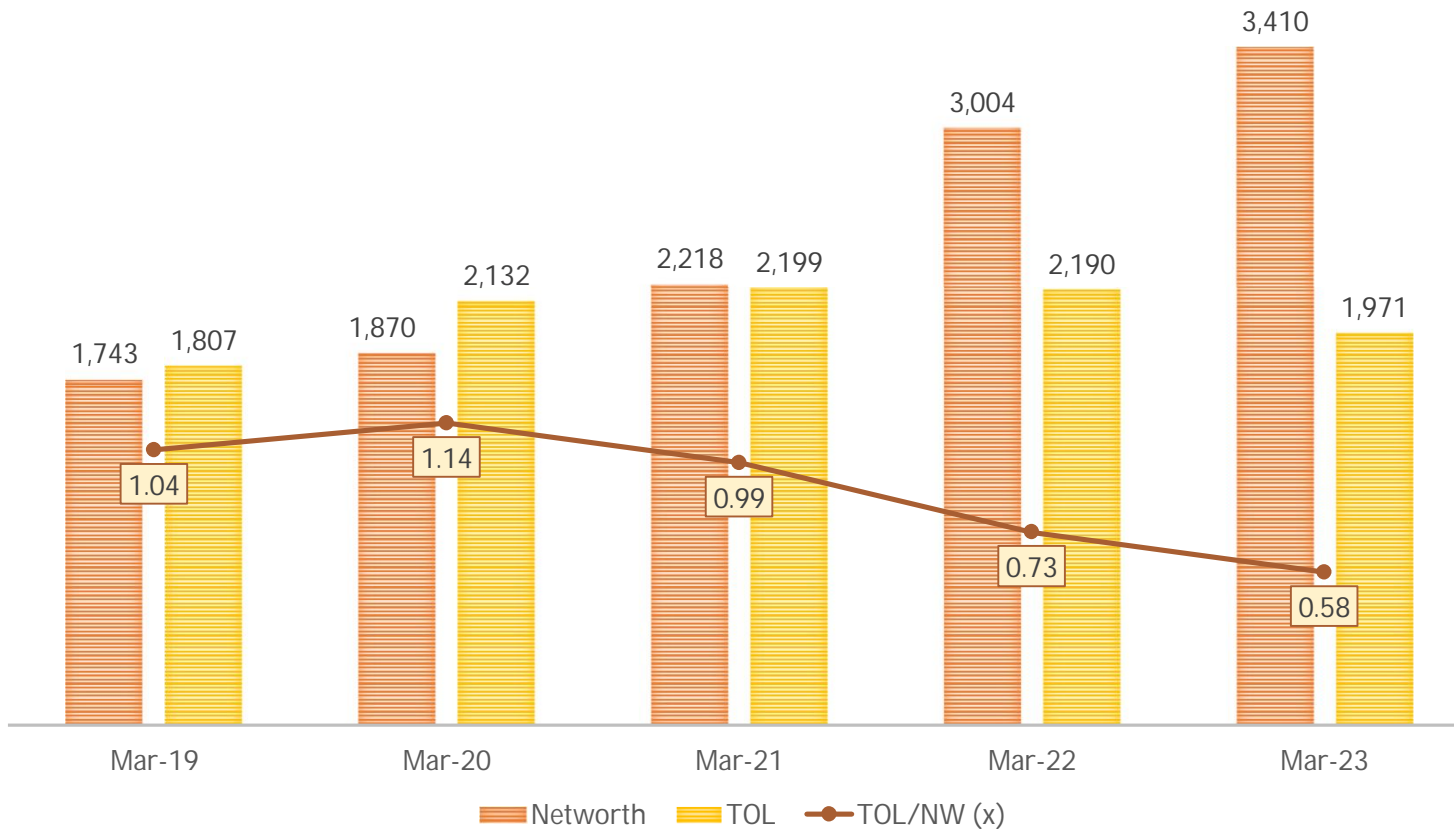




**Financial Trends**

# Strong Balance Sheet: Comfortable Leverage Position

Figures in INR Crore



- Improving TOL/ NW ratio along with strong liquidity position
- With additional cashflows post commissioning of Sikkim Hydro project and operationalization of Coal Mine, the liquidity has strengthened further

## Consolidated P&L – Consistent Growth with High Profit Margins



INR in Cr	FY19	FY20	FY21	FY22	FY23
Revenues	2,324	2,000	2,199	3,914	4,212
Other Income	17	-17	144	50	49
<b>Total Income</b>	<b>2,341</b>	<b>1,983</b>	<b>2,343</b>	<b>3,964</b>	<b>4,261</b>
Raw Material	1,493	1,293	1,347	2,086	2,495
Employee Expenses	87	88	89	113	127
Other Operating Expenses	261	263	243	360	529
<b>EBITDA</b>	<b>499</b>	<b>339</b>	<b>664</b>	<b>1,406</b>	<b>1,110</b>
<b>EBITDA Margin (%)</b>	<b>21%</b>	<b>17%</b>	<b>28%</b>	<b>36%</b>	<b>26%</b>
Depreciation	76	78	75	143	178
Finance Cost	99	82	79	147	124
Exceptional Item	-	-	-15	-7	0
<b>Profit Before Tax</b>	<b>324</b>	<b>179</b>	<b>495</b>	<b>1108</b>	<b>807</b>
Tax	117	43	115	300	202
Share of Associates and JV	-	-7	-4	-2	-1
<b>PAT</b>	<b>207</b>	<b>128</b>	<b>376</b>	<b>807</b>	<b>604</b>
<b>PAT Margin (%)</b>	<b>9%</b>	<b>6%</b>	<b>16%</b>	<b>20%</b>	<b>14%</b>
<b>EPS (INR)</b>	<b>56.36</b>	<b>35.05</b>	<b>104.00</b>	<b>223.07</b>	<b>169.9</b>

## Consolidated BS – Conservative Capital Structure and Strong Liquidity Profile



INR in Cr	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Share Capital	36	36	36	36	35
Tangible Networth	1,707	1,834	2,182	2,968	3,375
Minority Interest	132	100	101	104	100
Long Term Borrowings	1,078	1,408	1,493	1,196	1,063
Short Term Borrowings	317	279	221	385	344
Other Liabilities	412	444	486	610	564
<b>Total Liability</b>	<b>3,681</b>	<b>4,102</b>	<b>4,518</b>	<b>5,298</b>	<b>5,481</b>
Net Fixed Asset	1,358	1,332	1,287	2,854	2,908
CWIP	1,054	1,365	1,616	132	130
Investment	196	169	243	473	388
Cash & Cash Equivalents	45	165	97	282	372
Other Assets	1,028	1,072	1,276	1,558	1,683
<b>Total Assets</b>	<b>3,681</b>	<b>4,102</b>	<b>4,518</b>	<b>5,298</b>	<b>5,481</b>

# Yearly Trend | Production and Sales (1/2)

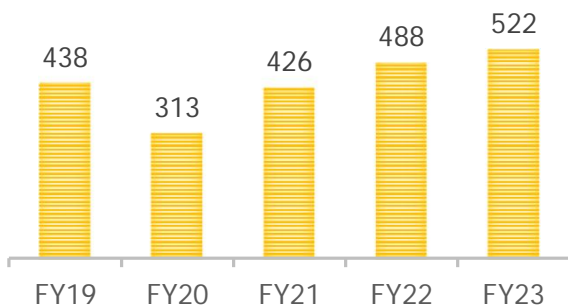


## Iron Ore Pellets

PRODUCTION ('000 MT)

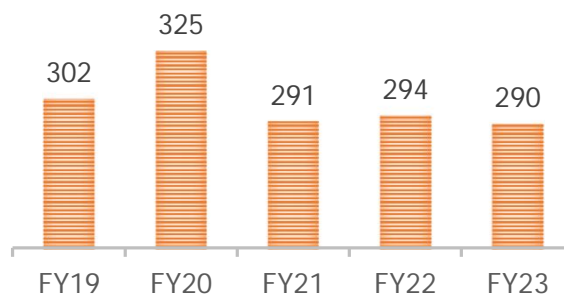


SALES ('000 MT)

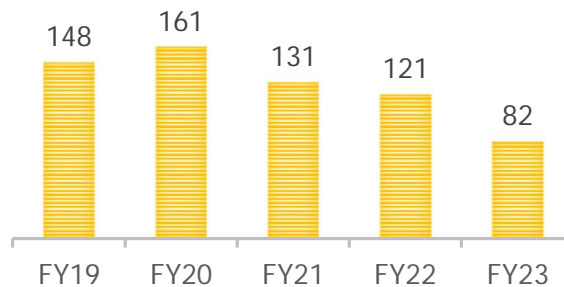


## Sponge Iron

PRODUCTION ('000 MT)

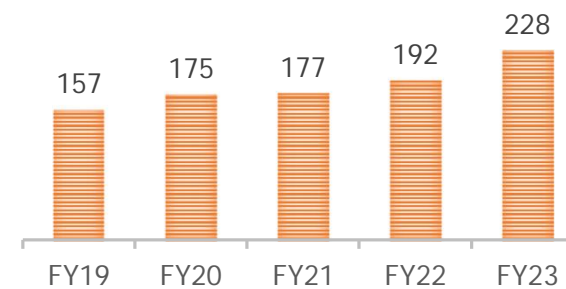


SALES ('000 MT)

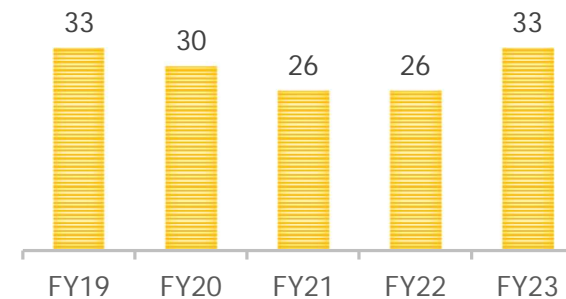


## Steel Billet

PRODUCTION ('000 MT)



SALES ('000 MT)

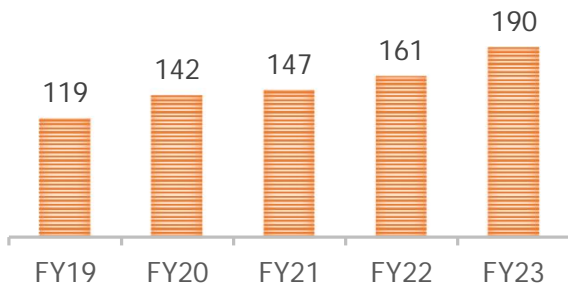




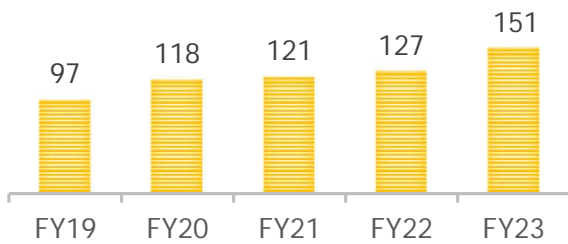
# Yearly Trend | Production and Sales (2/2)

## Wire Rod

PRODUCTION ('000 MT)

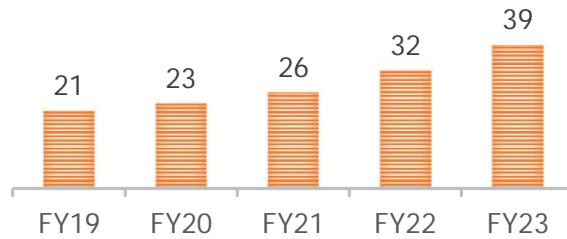


SALES ('000 MT)

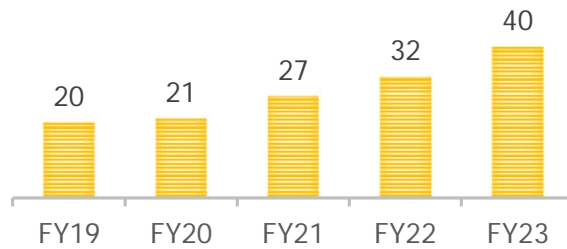


## H. B. Wires

PRODUCTION ('000 MT)

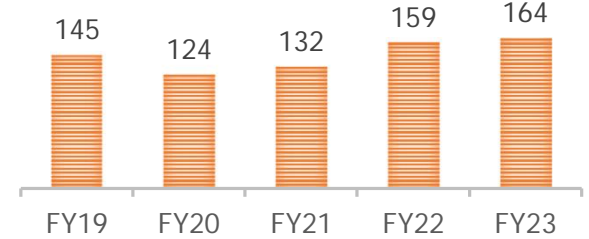


SALES ('000 MT)

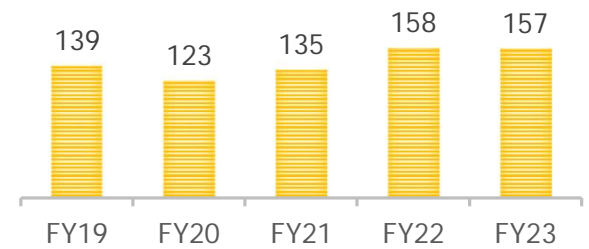


## Ferro Alloys

PRODUCTION ('000 MT)



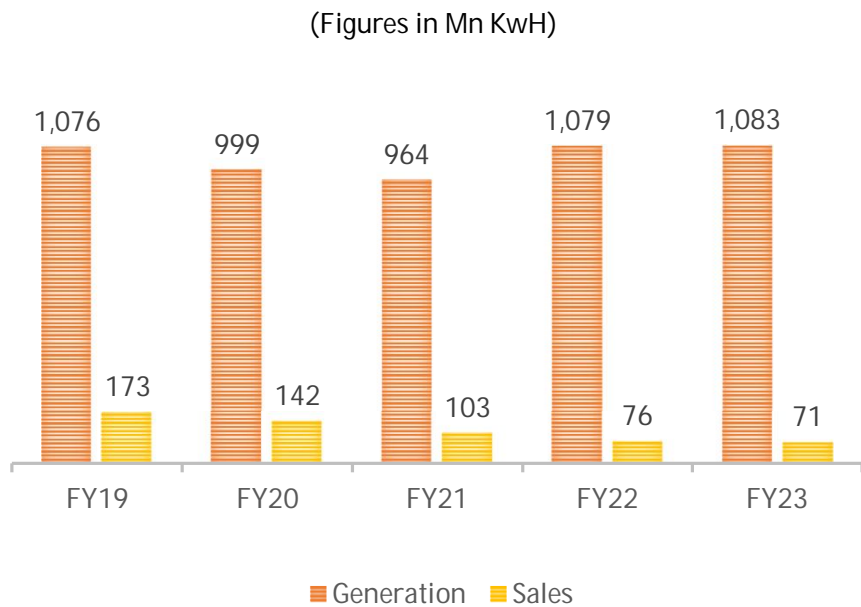
SALES ('000 MT)



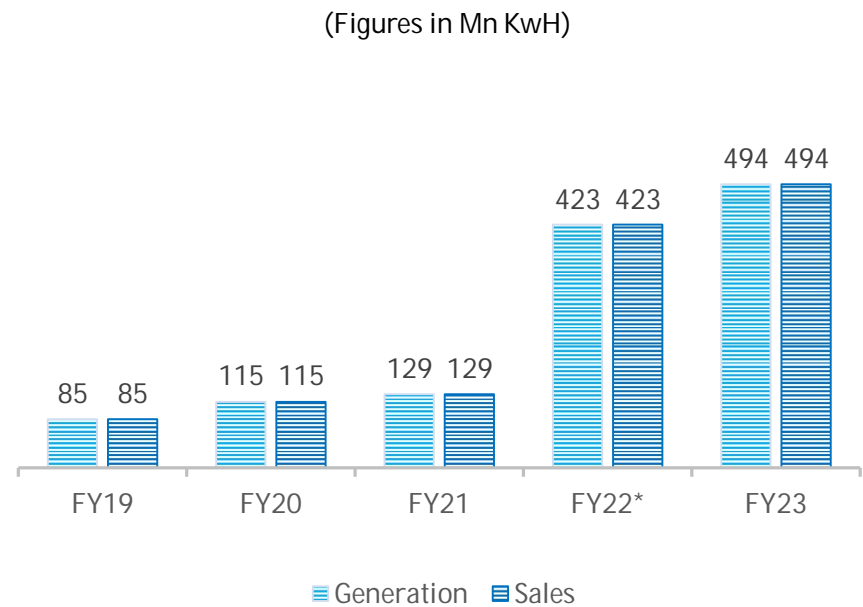
**Increasing sales of Value-Added Products**

# Power Segment: Generation & Sales (volumes)

Thermal Power + Waste Heat = Capacity of ~162 MW

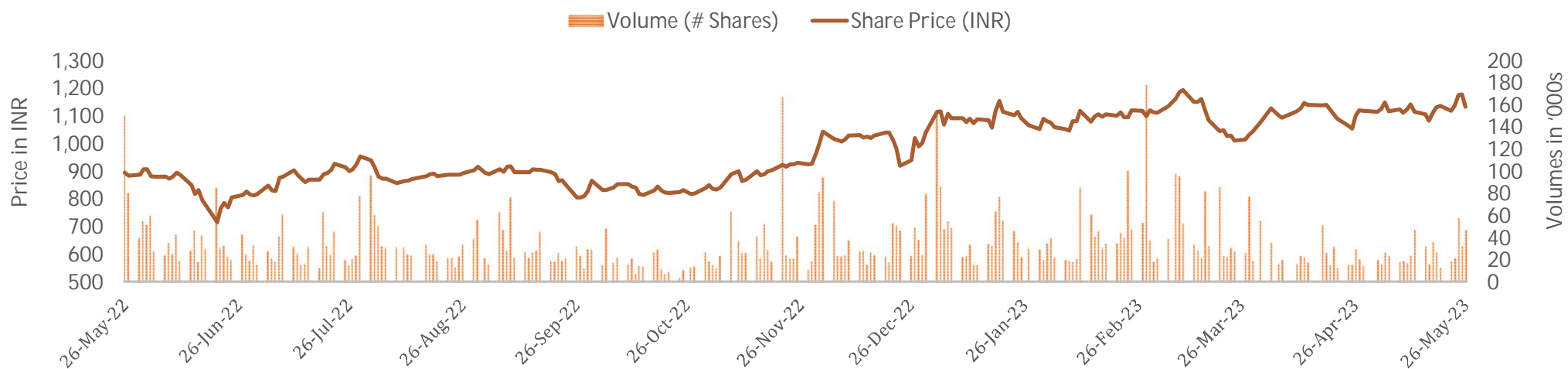


Hydro Power – Capacity of ~143 MW



Note: 1) Thermal Power is largely consumed for captive use; 2) \* Hydro power generation increased substantially due to on-streaming of the 113 MW Sikkim Power plant during Q2FY22

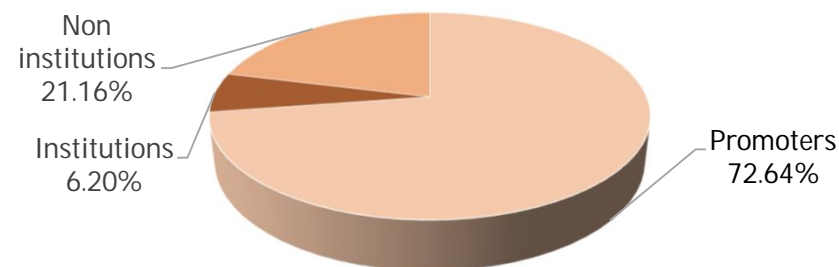
# Share Price Information



## Capital Market Information (as on 26-May-23)

BSE/NSE Code	504614/SARDAEN
CMP (Rs)	1134
Market Cap (Rs Cr)	3,998
Shares (Cr)	3.52
Face Value (Rs)	10

## Shareholding Pattern (as on 31-Mar-23)



# THANK YOU



Mr. Nilay Joshi (Head – Corporate Finance)

[njoshi@seml.co.in](mailto:njoshi@seml.co.in)

125 B-Wing Mittal Court, Nariman Point, Mumbai 400 021



[www.seml.co.in](http://www.seml.co.in)

'It's Energy and Minerals, Not Only Steel'



Ms. Pooja Sharma / Ms. Vinita Pandya

[pooja.sharma@stellar-ir.com](mailto:pooja.sharma@stellar-ir.com) / [vinita@stellar-ir.com](mailto:vinita@stellar-ir.com)

A-405, Kanakia Wall Street, Andheri (East), Mumbai 400 093