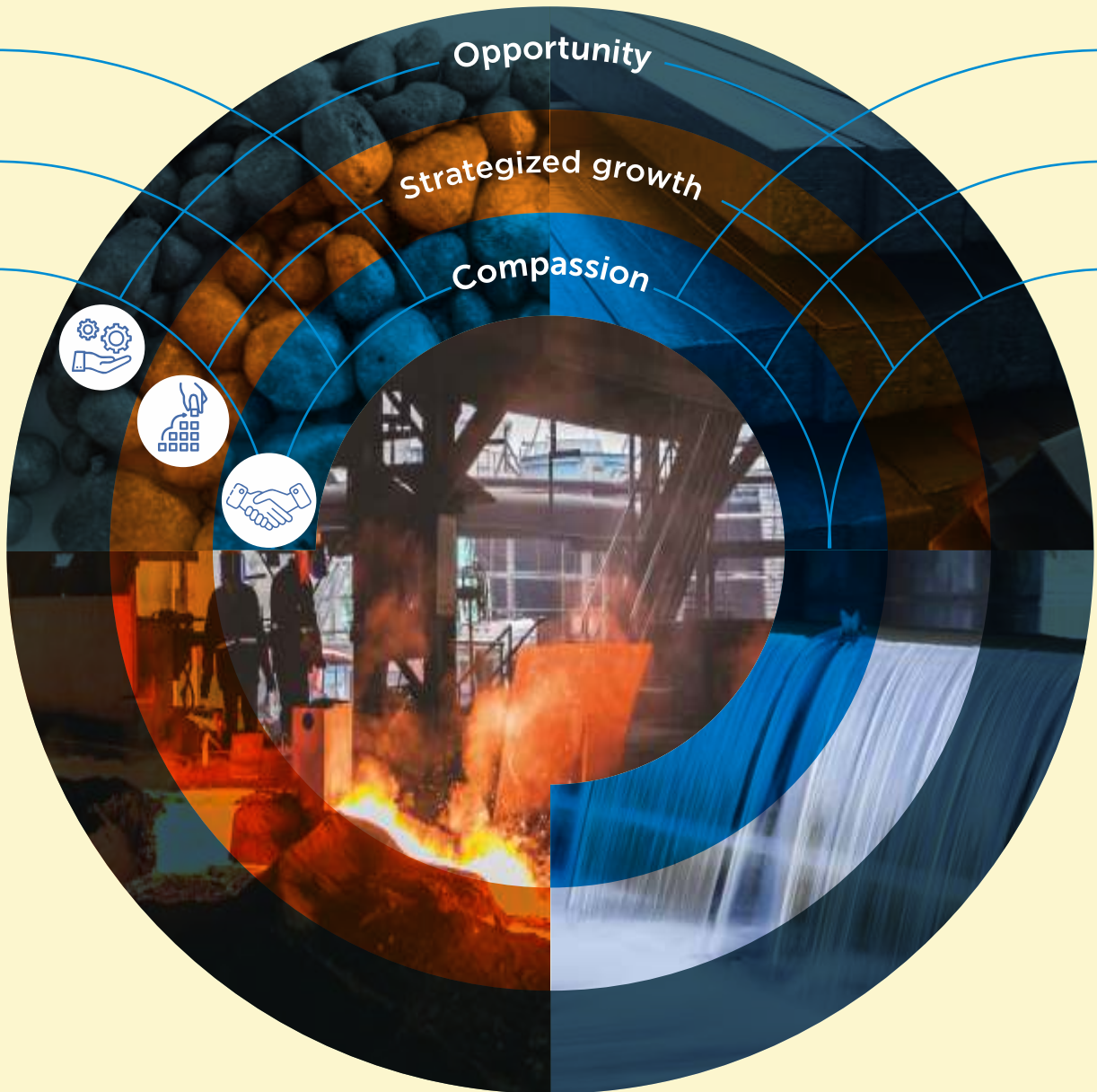




Sarda Energy & Minerals Limited

48th Annual Report 2020-21



Growth and Integration



Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers are requested to consider the same while taking decisions. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

Between the pages

Corporate Overview

1-17

Statutory Reports

18-83

Financial Statements

84-172

The online version of the annual report is available at:
<https://www.seml.co.in/finance.php>

Or simply scan to download



It has been an extraordinary year!

In a year characterised by uncertainties, the Company has risen to the challenges and made the most of opportunities to emerge stronger as a Group. The confidence to deliver was driven by the strong vision and clarity of mindset. We built on our strengths and ensured a positive momentum in all our core segments. Our diversification strategy coupled with robust financials continued to support our growth momentum. Besides, we further strengthened our integration capabilities that will allow us to move forward with even more conviction that we are on the right path.

Exceptional Achievements of 2020-21



Highest ever profits

₹ **660 cr. + 99%**
Consolidated EBITDA

₹ **376 cr. + 193%**
Consolidated PAT



Highest ever dividend payout

₹ **7.5** per share (75% of the face value)

Dividend rewarded to the shareholders backed by enhanced cash flows



Awarded two coal blocks in the recent coal mine auctions

13.4 MMT

Extractable reserves of the Shahpur West Coal Mine, in Madhya Pradesh

142 MMT

Extractable reserves of the Gare Palma IV/ 7 Coal Mine, in Chhattisgarh



Pellet capacity expansion

6 lac MT to **8** lac MT

Received the 'Consent to Operate' for the additional capacity of iron ore pellet



Achieved synchronisation of Sikkim Hydro Power Project

113 MW

Both units of 56.5 MW each, achieved synchronisation with the Grid and commenced commercial operation in June 2021

A VERTICALLY INTEGRATED player with strong DNA OF GROWTH.

Strong parentage

Sarda Energy & Minerals Limited (SEML or 'the Company' from hereon) is the flagship company of the Sarda Group. It was incorporated in the year 1973 and since then it has successfully emerged as one of India's lowest cost producers of steel and one of the leading manufacturer and exporter of ferro alloys in India. Besides, it also has diversified its presence across energy, hydro power and mining, thus de-risking itself against the business cyclicality and driving alternate venues of growth.



Vision

To be a globally respected energy and minerals company creating value for our stakeholders on a sustainable basis.



Values

Our values are reflected in:



Quality

We believe in setting benchmarks through the quality of our products and services.



Customer focus

We believe in high customer satisfaction and becoming a part of our customer's success story.



People

We believe in our people and constant upgradation of their skills and leadership capabilities.



Integrity and ethics

We believe in our commitments and strive to achieve high ethical standards.



Corporate social responsibility

We believe in caring for our environment and our communities.

Growth driven by Integrated Business Model

Our product line encompasses across the steel value chain, thus benefitting the Company with complete integration, cost efficiencies and quality control.

Raw Material & Thermal Power



Captive iron ore mine

Located at Rajnandgaon, Chhattisgarh, which is in proximity of only ~140 km from the Company's steel plant at Raipur, Chhattisgarh, meeting large part of the iron ore requirements.

~140 kms Proximity to the manufacturing facilities



Coal mines

Recently acquired coal mines are located within 200 kms of the steel plant at Chhattisgarh, where the coal will be used, thereby further improving the operating efficiencies for the Company.

~200 kms Proximity to the manufacturing facilities



Captive thermal power

Located at both the manufacturing facilities Raipur (Chhattisgarh) and Vizag (Andhra Pradesh), meeting ~100% of the power requirement.

~100% Captive power requirement

Intermediate finished products



Pellets

Produced from iron ore fines with 25-30% captive consumption and balance being sold domestically.

25-30% Captive consumption



Sponge iron

Produced from captive iron ore lumps & pellets, preferred route of steelmaking.

50-55% Captive consumption



Billets

Semi-finished steel product produced by continuous casting process. Well positioned with complete back-end integration.

80-85% Captive consumption

Finished Steel Products



Wire rods

Hot rolled product made from direct hot billet charging.

15-20% Captive consumption



HB Wires

Wire rods are cold drawn to HB wires to sizes.



Ferro Alloys

The Company also manufactures manganese-based ferro alloys that are sold domestically as well exported to other countries.

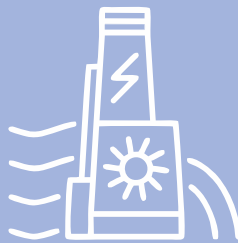
5% captive consumption

Growth driven by a sustainable diversification into Hydro Power

Our strategic diversification into Green Energy (Hydro Power) through our subsidiaries - Madhya Bharat Power Corporation Limited, Chhattisgarh Hydro Power LLP and Parvatiya Power Limited, has strategically positioned us to generate an alternative source of revenue and profitability on one hand and build a sustainable future for the Company by being present in the renewable energy space and to move towards carbon neutrality.

Hydro power projects

	Operational			Upcoming
Capacity	4.8 MW	24.9 MW	113 MW	24.9 MW
Location	Uttarakhand	Chhattisgarh	Sikkim	Chhattisgarh
River	Sarju	Gullu	Rongnichu	Rehar
Year of commissioning	2008	2017	2021	2025 (likely)
Tariffs	₹ 3.85/unit	₹ 5.21/unit	Under determination	-
PPA terms	30 year PPA with State Discom	35 year PPA with State Discom	35 year PPA with Chhattisgarh State Discom	-
PLF for FY21	57%	50%	-	-
Project Debt as on 31st March, 2021	Debt-free since 2017	₹ 98 Cr	₹ 952 Cr	Financial closure under progress
Other key updates	Proposed expansion of 3MW	Generating free cash flows since its first year of operations	Commenced commercial operation in June 2021	Land acquisition & regulatory approvals underway



Value-creation model

Our value creation model describes how value is created for our stakeholders through our efficient deployment of capitals and competitive drivers.

Resources (Input Capitals)



Financial Capital

Includes financial resources mobilised by the Company in the form of equity and debt or any other form of financial borrowing to run the business.

Equity: ₹ 2,221 Cr
Long-term Debt: ₹ 1,605 Cr



Manufacturing Capital

Includes capital deployed towards building manufacturing capacities.

Products	Operational capacities as on March 31, 2021
Pellets	8,00,000 MT
Sponge iron	3,60,000 MT
Billets	3,00,000 MT
Wire rods	1,80,000 MT
HB wires	30,000 MT
Iron ore	1.5 MMT p.a.
Thermal power	162 MW
Ferro alloys	111 MVA
Hydro power	30 MW*

* Additional capacity of 113 MW commissioned in June 2021 (Sikkim Hydro Plant).



Intellectual Capital

Includes capital deployed towards innovation and technology that promotes modernisation, improves cost, safety and productivity.



Human Capital

Includes capital deployed towards building the talented pool of resources.
1,210 Employees as on March 31, 2021.



Natural Capital

Includes capital deployed towards preserving the natural resources and contributing towards betterment of the environment.



Social and Relationship Capital

Includes capital deployed towards strengthening the quality and strength of our relationships with stakeholders, including governments, regulatory bodies, investors as well as partnerships with local communities that support the sustainability of our operations.

Value enablers



Diversification

- From pure commodity player to green energy player
- De-risked from cyclical
- Positive cash flows from hydro business



Prudent financials

- Strong liquidity
- Low debt (largely on account of hydro power business)
- Better realisations per tonne



Capacities

- Strong built-in capacities to cater to the internal and external requirements
- Additional capacities in pipeline



Environment

Inclined towards environmental stewardship through presence in the renewables segment (hydro power)



Prudent governance practices

Prudent governance philosophies revolving around trust, transparency, accountability and ethical business conduct



Social

Improving health and quality of life of the people in the vicinity of the facilities through community development programmes

Values-created (Outputs)

Consolidated Financials

Revenues: ₹ 2,199 Cr, +10%
 EBIDTA: ₹ 660 Cr, +99%
 PAT: ₹ 376 Cr, +193%
 Net worth: ₹ 2,221 Cr, +19%
 Fixed assets: ₹ 2,906 +8%
 Debt equity: 0.72:1
 Dividend: ₹ 7.50 per share

Operational

Production/Generation and Sales

Product	Production ('000 MT)	Sales ('000 MT)
Iron ore pellets	619	426
Sponge iron	291	131
Steel billet	177	26
Wire rod	147	121
H. B. Wires	26	27
Ferro alloys	132	135

	Generation (Mn Kwh)	Sales (Mm Kwh)
Thermal power	964	103
Hydro power	129	129



CMD's Message



We are favourably poised for growth owing to our integration capabilities and strong cash flows.

Dear Shareholders

2020 was a year that cannot be forgotten so soon. We faced the worst ever global pandemic that challenged the livelihoods of people. It took a tragic toll on people and communities, while severely impacting businesses, big and small. The word 'unprecedented' became a part of our daily conversation. Thanks to the untiring efforts exemplified by thousands of frontline workers, first responders and medical professionals who battled the virus and put up a brave fight to contain the virus, even beyond their duty hours.

The new financial year started with the country still in different phases of lockdown owing to the second wave. At Sarda Energy, our priority was to ensure that we navigated our way through Covid-19 as securely and safely as we could. That meant not only safeguarding the financial wellbeing of the Company through the pandemic, but also the wellbeing of people associated with us.

The macro-economic scenario

The Indian economy passed through one of the toughest phases in living memory. At the start of 2020, our country was among the five largest global economies. Its economic growth rate was the fastest among major economies (save China). With the onset of pandemic in India in March, 2020 the Indian Government announced one of the most stringent lockdowns in the world. As a result, the public movement and the economic activity across the nation came to a grinding halt. This lockdown had a devastating impact on an already-slowing economy as

1.38 Bn Indians were required to stay indoors. The GDP de-growth experienced by the country during the first quarter of FY 2020-21 was the highest since the index was prepared. The gradual unlocking from June 2020 coupled with encouraging Government measures in the form of fiscal stimulus and promoting 'Atmanirbhar Bharat Abhiyaan', saw the country getting back on track. As a result, sectors like real estate, steel, cement, home building products and consumer durables, among others – reported unprecedented growth. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential. The last quarter of 2020-21 witnessed the more devastating second wave which once again halted the overall momentum. The consolidated impact led to India's GDP contracting to 7.3% during 2020-21.

Our response

I am very proud of the resilience and adaptability shown by our teams, as they demonstrated a fantastic performance despite the underlying economic as well as health-related challenges. We continued to consolidate on our capacities through debottlenecking, drive operational excellence and further strengthened our financial discipline. The result is visible in the overwhelming financial numbers we achieved during the year. We reported consolidated revenues of ₹ 2,199 Cr in 2020-21 as compared to ₹ 2,000 cr in 2019-20. We achieved highest ever consolidated EBITDA and PAT of ₹ 660 Cr and ₹ 376 Cr during the year, respectively.



“

We continued to consolidate on our capacities through debottlenecking, drive operational excellence and further strengthened our financial discipline.

”

Backed by strong cash flows, we rewarded our shareholders through highest ever proposed dividend payout of ₹ 7.50 per share.

Key strategic developments

There were several developments during the year, that have further strengthened our fundamentals and positioned us to achieve a strong and sustainable medium to long-term growth. These include:

Pellet capacity expansion by 2,00,000 MT: We successfully expanded the capacities and have further received the 'Consent to Operate' for the enhanced capacity of Iron Ore Pellet Plant with immediate effect in March 2021. This would lead to increasing volumes and increase in revenues going ahead.

Vertical integration: We acquired two coal blocks in the recent coal mine auctions, having extractable reserves of 13.4 MMT and 142 MMT, respectively. These mines have both hi-grade and low-grade coal, and the activities related to commencing operations at the coal mines are under way. It will further strengthen our integration capabilities and raw material security. The excess produce beyond captive requirements will be traded, thus adding an additional revenue stream for the Company.

Completion of 113 MW hydro power project at Sikkim: The project achieved completion under adversities and challenges posed by pandemic and has started commercial operations in June 2021. This would lead to generation of strong cash flows that will allow us to meet the debt obligations and enhance our EBIDTA levels going ahead.

Improved/Increased cash flows: With additional cash generation from hydro power projects, our free cash flow will improve further to fund future growth.

The way ahead

In the longer term, for SEML as a whole, we expect to continue to achieve improving profitability in our growth journey. We shall be further strengthening our growth by taking advantage of our integration capabilities and strong cash flows. We are in a strong position to take advantage of the opportunities ahead. Our priorities for building our business for the future are clear. We have the market headroom, we have a focused strategy, and we have the leadership team in place to deliver on our plans. Exceptional market conditions and lessons learned from the pandemic have reaffirmed the opportunities in the market and we strongly believe that there are multiple levers for growth within our control.

Closing thoughts

At this time, it is difficult to predict whether we will be able to hold our AGM in person this year as the shades of pandemic still prevail. While we very much hope that this may be possible, ultimately, we will hold the meeting in the safest manner and in compliance with the government guidelines at the time. I remain confident in the significant long-term growth opportunities ahead and in our ability to execute our strategy in pursuit of sustainable growth. Once again, let me send my sincerest thanks to all our stakeholders. I wish all of you and your loved ones health and happiness.

Till then, Stay Safe and Get Vaccinated.

Yours sincerely,
Kamal Kishore Sarda

Board of Directors



Kamal Kishore Sarda
CMD

Mechanical Engineer with nearly 45 years experience Iron and Steel, mining and strategic planning. He is responsible for steering SEML towards the path of growth.



Asit Kumar Basu

Independent Director
BME graduate with 43 years of experience in the field of finance and risk assessment. He is ex-Chief General Manager of IDBI Bank.



C K Lakshminarayanan

Independent Director
An Engineer with experience of nearly 46 years in finance and power sector.

Our governance philosophies are based on transparency, accountability, values and ethics and are an integral part of the management's initiative in its pursuit towards excellence, growth and value creation. Our Board comprises of eight directors, including two whole time promoter directors, one whole time professional director and five non-executive independent directors, for smooth and efficient functioning.



Jitender Balakrishnan
Independent Director
PGDM in Industrial
Management. Nearly 43 years
of experience in power, steel,
oil & gas, corporate
governance and risk
assessment.



Rakesh Mehra
Independent Director
FCWA with over 37 yrs of
experience in finance, costing
and management accounting.
Ex GM, Madhya Pradesh
Audhyogik Vikas Nigam.



Tripti Sinha
Independent Director
Ex Managing Director of
Chhattisgarh State Power
Transmission Company
Limited. Experience of nearly
41 years in power sector.

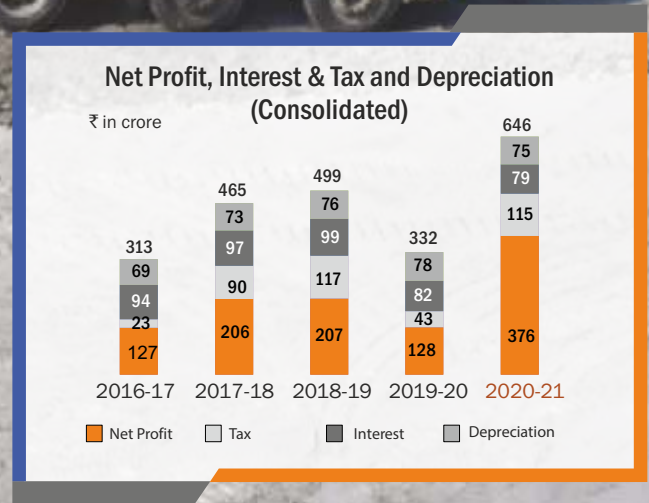
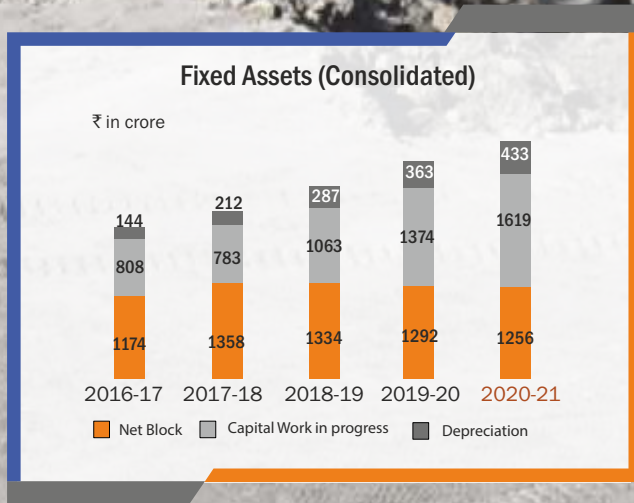
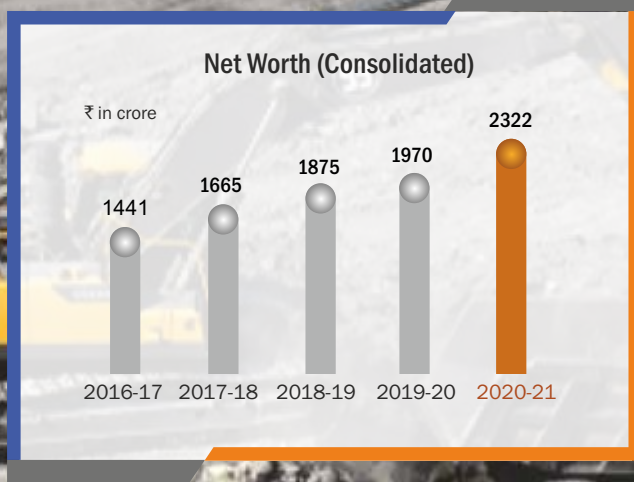
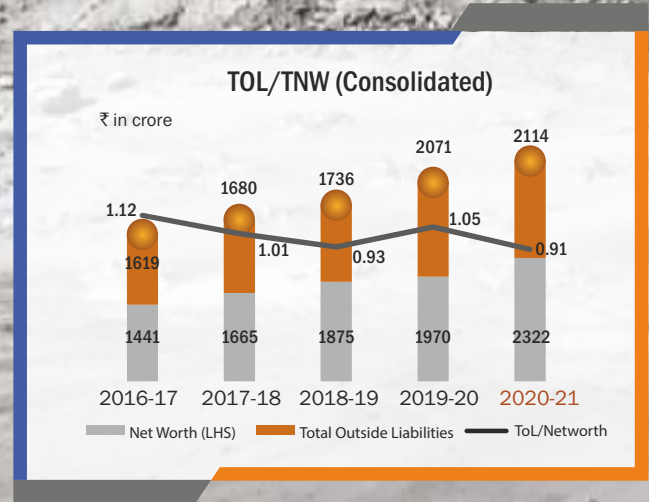
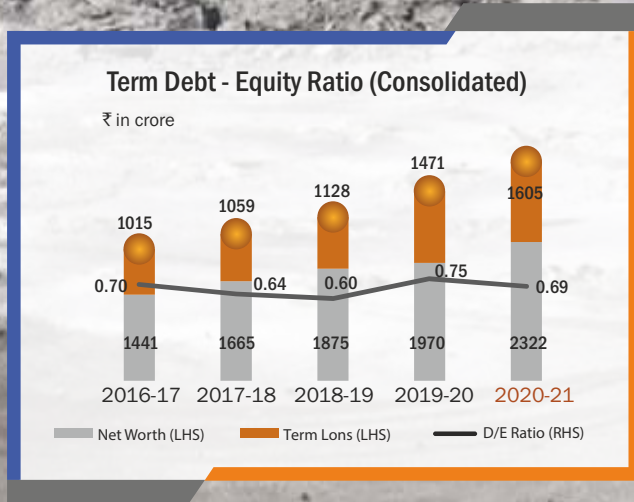


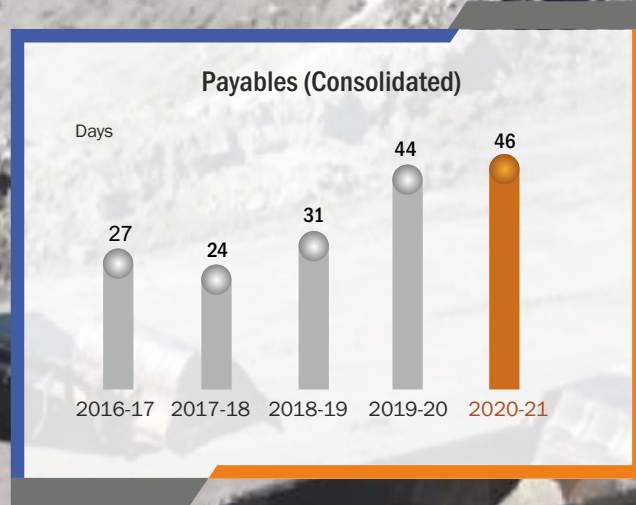
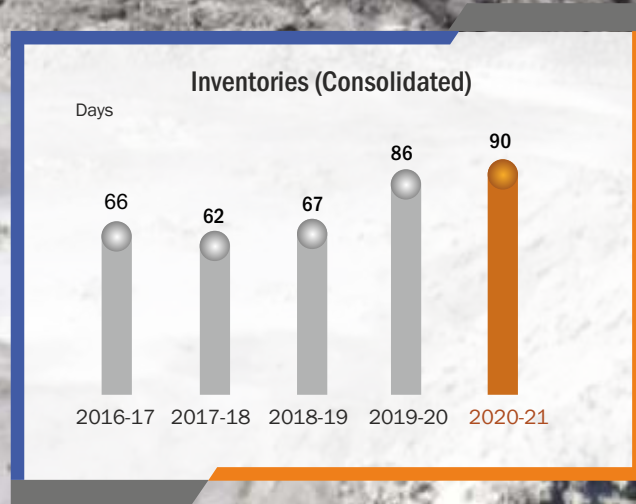
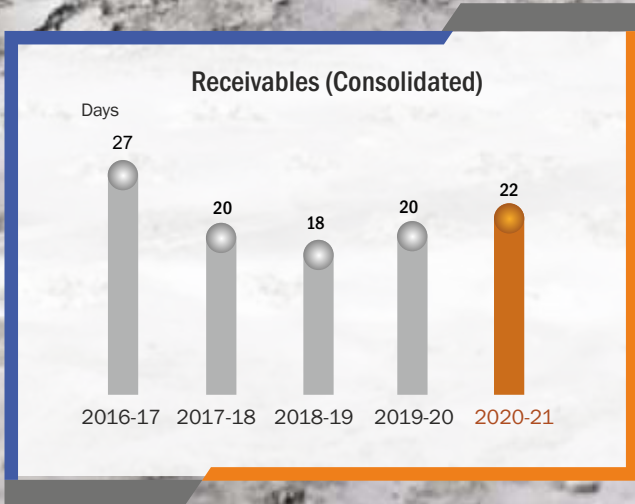
Padam Kumar Jain
Wholetime Director and CFO
CA, CS with a rich experience of
35 years in the field of
accounting, finance, taxation,
costing, budgeting and
corporate laws.



Pankaj Sarda
Jt. Managing Director
MS in Industrial
Administration from Purdue
University, USA, with industry
experience of nearly 18 years.

Financial Performance





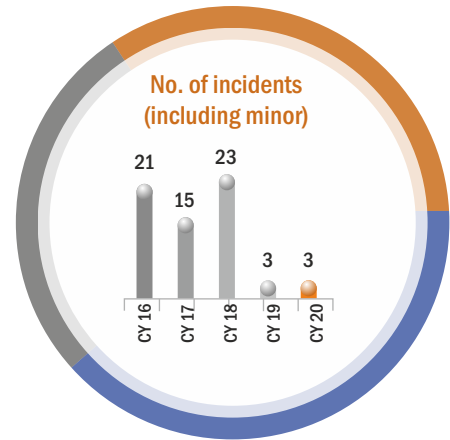
Corporate Social Responsibilities

Alongside business, SEML believes in doing the right thing for the people and the communities in and around the areas of its operations.

We have adopted a 'safety first' approach to shift towards taking a much greater proactive stance; ensuring better risk mitigation and strengthening of our processes and culture. We have identified areas where we need to be more robust, and actively sought those where improvement is needed. We are committed to work hard to embed health and safety at the outset of our decision-making to ensure we are always prioritising the protection of our people.

Key highlights of health and safety

- Recognised with 'Appreciation' Award for Best Company in the Eastern Region in Safety Category
- Conducted annual training on safety measures
- Conducted regular medical check-ups and provide inhouse medical facilities to the employees
- Continued to witness declining incident rates



COVID-19 Measures

The past year was inevitably dominated by COVID-19, which saw us implement a comprehensive and consistent response in terms of health, hygiene and wellbeing. Some of our initiatives include:

- Donation of food grains to the villagers
- Setting up COVID testing camps for the villagers
- Provided Medical Kit & Apparatus help to COVID 19 Hospitals
- Conducted vaccination drive for the employees



We strategically drive our CSR initiatives in the areas of education, health, infrastructure, livelihood and promotion of art, culture and sports. These focus areas align with our purpose of making life better by providing value to the communities where we operate.

Education: Enabling quality education in community

- Salary support to Teachers at Siltara & Mines area village schools
- Reward to Meritorious students of 10th & 12th
- Support for educational and related activities
- Support to Ekal Vidyalayas for education of tribal students with FTS
- Provide computer education for village students

Health: Preventive & curative healthcare services

- Operating mobile medical van with free medicines in villages around mines area
- Mobilize doctors for community healthcare services
- Provide financial support to critical patients for their advanced treatment
- Organise various health/blood donation camps and awareness drives on health issues
- Support to “Akshay Patra” foundation for community work
- Maintenance of “Pink Care” toilet blocks in Raipur

Infrastructure: Creating community assets

- Creation of community assets like community hall, service road, cross drain and walkways for the community benefit in nearby villages
- Develop rainwater harvesting structures for water shed development

Livelihood: Environmental & economical sustainability

- Mass bamboo plantation
- Potable water supply in Siltara, Mandhar and Mines area villages
- Compensation to farmers for crop loss
- Livelihood development of physically challenged
- Saplings for plantation under Udaan Scheme
- Sewing Training program

Art, Culture and Sport: Sports & cultural development

- Support for the local cultural promotion festival -Jhanki, Dance & Folk Art in villages
- Support for the local sports and culture like Madai Mela and Kabaddi, etc
- Support to Mr Shrimant Jha, Para Olympic Wrestler

Corporate Information

BOARD OF DIRECTORS

Mr. K.K. Sarda
Mr. Pankaj Sarda
Mr. P.K. Jain

Chairman & Managing Director
Jt. Managing Director
Wholetime Director & Chief Financial Officer

Mr. A.K. Basu
Mr. C.K. Lakshminarayanan
Mr. Jitender Balakrishnan
Mr. Rakesh Mehra
Ms. Tripti Sinha



Independent Directors

COMPANY SECRETARY

Mr. Manish Sethi

AUDITORS

Statutory Auditors

M/s. O.P. Singhanian & Co.
Chartered Accountants
J.D. S. Chambers, 1st Floor
6-Central Avenue
Choubey Colony
Raipur (C.G.) 492001

Cost Auditors

S.N. & Co.
Cost & Management Accountants
Mahalaxmi Cloth Market
Pandri, Raipur (C.G.) 492001

Secretarial Auditors

S. G. Kankani & Associates
Company Secretaries
69, 1st Floor, Mahalaxmi Cloth Market
Pandri, Raipur (C.G.) 492001

Internal Auditors

A P A S & Co.
Chartered Accountants
Krishna Ranjan, B- 35/5
Shailendra Nagar, Tagore Nagar
Raipur (C.G.) 492001

BANKERS

Union Bank of India
Bank of Baroda
Axis Bank Limited
State Bank of India
RBL Bank Limited
HDFC Bank Limited

REGISTERED OFFICE

73-A, Central Avenue
Nagpur (M.H.) 440 018
Phone: 91-712-2722407

WORKS

Industrial Growth Centre, Siltara
Raipur (C.G.) 493 111
Phone: +91-771-2216100
Fax: +91-771-2216198

MUMBAI OFFICE

125, B-Wing, Mittal Court
Nariman Point, Mumbai (M.H.) 400 021
Phone: +91-22-22880080
Fax: +91-22-22826680

DELHI OFFICE

E-585, Ground Floor
Greater Kailash Part-II
New Delhi-110048
Phone: +91-11-41012163
Fax: +91-11- 30824411

VISAKHAPATNAM OFFICE

Sarda Metals & Alloys Limited
D.No.50-96-4/1, Floor- II & III
Sri Gowri Nilayam, Seethammadhara NE
Visakhapatnam-530013
Phone: +91-891-2858200
Fax: +91-891-2700864

DUBAI OFFICE

Sarda Global Trading DMCC
Unit No.1241, DMCC Business Centre, Level No.1
Jewellery & Gemplex 3, Dubai, UAE

REGISTRAR & SHARE TRANSFER AGENTS

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building
Opp. Vasant Oasis
Makwana Road, Marol, Andheri East
Mumbai (M.H.) 400059
Tel: 022 62638200
Fax : 022 62638299
Email: investor@bigshareonline.com

Directors' Report

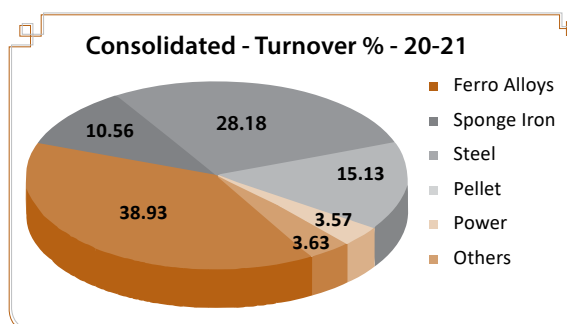
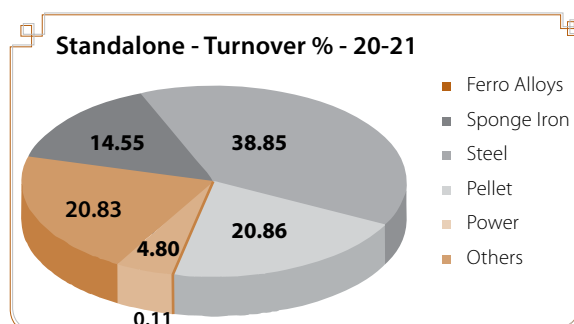
Dear Shareholders,

The Board of Directors take pleasure in presenting the 48th Annual Report on business and operations of the Company for the financial year ended 31st March, 2021.

Results of our operations

(₹ in crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	1,595	1,424	2,199	2,000
Exports	9	49	334	331
Other Income (Loss)	107	61	144	(17)
EBIDTA	479	301	664	339
Depreciation	48	51	75	78
Finance cost	34	36	79	82
Profit before tax	397	214	510	179
Exceptional Item	15	--	15	--
Provision for tax	85	32	115	43
Net Profit	297	182	380	136



Review of performance

The outbreak of COVID-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade, while weighing on consumer sentiments. Steel demand was affected as key steel consuming sectors struggled to operate amidst weakening economic activities, working capital constraints, shortage of manpower, and logistical issues. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and promoted use of digital platforms for its day-to-day operations. During the challenging times, the Company maintained its liquidity position by minimizing cash outflows and avoiding/delaying unwanted/non-immediate expenditure.

Due to the global slowdown on account of COVID-19 the Company temporarily suspended operations w.e.f. 25th March 2020. The Company restarted manufacturing operations with effect from 16th April 2020 in a gradual and synchronized manner in compliance with the guidelines issued by the Govt. and full capacity could be achieved only in the 3rd week of May 2020. Despite the headwinds and prevailing pandemic situation, your Company delivered better performance as compared to previous year. This was mainly due to strong focus on cost reduction and a healthy mix of value-added products. During the year, your Company achieved higher production levels. Your Company fulfilled all its financial obligations on time.

The total income and profitability improved with the Company achieving an increase of 15% in turnover on standalone basis and 18% on consolidated basis. The net profit increased by 63% on standalone basis and by 179% on consolidated basis. Due to improvement in market sentiments, on a consolidated basis, there was mark-to-market gains of ₹ 93.56 crore as against loss of ₹ 40.08 core in the previous year and gain on account of exchange difference was ₹ 14.20 crore as against loss of ₹16.65 crore in the previous year. These items of national nature are reported under other income.

In March 2021, the Company received long-awaited permission for manufacturing additional 2 lakh tonnes of pellet. During the year well spread and better rainfall helped in better capacity utilization of hydropower plants.

Apart from COVID-19 pandemic impact which may affect the financial performance of the Company, there are no other material changes and commitments affecting the financial position of the Company since close of the financial year.

Directors' Report

Further details on the performance of the Company and on the Company's operations and financials are provided in the Management Discussion and Analysis and other sections, as annexed to this report. There was no change in the nature of the business of the Company during the year.

Dividend

On the back of improved financial performance, your directors have recommend highest ever dividend of ₹ 7.50/- (i.e. 75%) per equity share for the financial year 2020-21 (last year ₹ 5/- per equity share). The dividend if approved by the shareholders in the ensuing Annual General Meeting will be paid, after tax deduction at source, as per the applicable provisions. The dividend would result in cash outflow of ₹ 27.04 crore.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company has adopted a Dividend Distribution Policy ('Policy') which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profit among its Members. The Policy is available on the website of the Company under the 'Investor Relations' section at <http://semil.co.in/Corporate%20Governance/SEML%20-%20Dividend%20Distribution%20Policy.pdf>

Further, your Company has transferred the unpaid dividend amount of ₹ 8.64 lakh in respect of the F.Y. 2012-13 to the Investor Education and Protection Fund. The dividend for F.Y. 2019-20 on equity shares which have been transferred to IEPF has also been remitted to IEPF.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2020-21 in the statement of profit and loss. Accordingly, no amount has been transferred to reserves.

Subsidiaries / Controlled Entities / Joint Ventures

During the year under review the Company has made further investments of USD 1 Mn in Sarda Global Venture Pte. Limited. There was no change in subsidiaries and Joint Ventures during the year.

A brief on the performance/business operations of subsidiaries/controlled entities/joint ventures consolidated with the Company is given hereunder.

Subsidiaries

- Sarda Energy & Minerals Hongkong Limited, Hongkong (SEMHKL), is a wholly owned subsidiary, functioning as global investment and trading arm of your Company. During the year under review, the subsidiary reported a net profit of ₹ 21.05 Crore as against loss of ₹ 30.22 crore in the previous year. The profit consists of mainly recovery of fair value losses on investments, provided during the previous year. During the year, the company has written off US\$ 1.52 Mn and reversed interest of US\$ 0.99 Mn on account of bad debt.
- Sarda Global Venture Pte. Limited, Singapore (SGV), a wholly owned subsidiary, is having JV with Indorama group for coal mining in Indonesia. During the year under review, your Company has made further equity contribution of USD 1.00 Mn in the company. During the year under review, the mining company in Indonesia was in the process of acquiring land and accordingly there were no mining operations. The subsidiary reported a net loss of ₹ 3.63 crore as against net loss of ₹ 7 crore in the previous year.
- Sarda Global Trading DMCC, Dubai (SGT), a wholly owned subsidiary, has been incorporated in 2018 with the object of trading in metal ores, scrap and coal. During the year the subsidiary reported a net profit of ₹ 23.10 crore as against net loss of ₹ 8.36 crore in the previous year. The profit consists of trading profit, income from investments and recovery in fair value of investments made during previous year.
- Sarda Metals & Alloys Limited (SMAL), a wholly owned subsidiary, operating 2 x 33 MVA Ferro Alloys plant backed by 80 MW captive thermal power plant enjoys a Two Star Export House status. During the year, power generation was 461.65 MU as compared to 453.40 MU in the previous year. The ferro alloys production stood at 78,355 MTs as against 68,596 MTs in the previous year.

During the FY 2020-21, the company exported 47,548 MTs ferro alloys against 41,773 MTs in the previous year valuing ₹ 325.26 crore and ₹ 282.11 crores respectively. In spite of the impact of Pandemic, the Company has reported a net profit of ₹ 32.90 crore as against net profit of ₹ 2.86 crore in previous year. This was possible because of the increased operational efficiencies and overall pick up in economy from H2 of FY 21.

The company is adding one more furnace of 36 MVA for manufacturing Mn based alloys at its existing facility at an estimated project cost of ₹135 Crores. This shall result in power plant operation at near full capacity and shall reap

Directors' Report

the dual benefits from Ferro and power operations. Post completion of the capex the production capacity of the company for Manganese based alloys shall increase by 50,000 MT P.A. The project is expected to be operational by the end of FY 2022-23.

- Sarda Energy Limited (SEL), a wholly owned subsidiary was incorporated as an SPV to put-up 1320 MW super critical IPP thermal power project in Chhattisgarh. As reported earlier, the company has abandoned the project. The funds lying idle with the Company have been invested in hydropower projects of the group. During the year under review, the subsidiary earned a net profit of ₹ 4.52 crore as against net profit of ₹ 3.27 in the previous year. The profit was mainly from share of profit from investment in Chhattisgarh Hydro Power LLP.
- Chhattisgarh Hydro Power LLP (CHPLLP) is operating 24 MW Gullu Small Hydro Electric Project in Chhattisgarh. The Plant has been earning cash surplus from the very first year of its operation. It has generated healthy business returns and is supported by adequate fixed feed -in tariff. During the FY 2020-21, the Plant has generated and supplied 1,052.27 lakh units (PY 885.39 lakh units) and has earned post tax profit of ₹ 25.11 crore (PY ₹ 17.45 crore). The Plant has achieved highest ever generation in the current financial year. The plant has received complete subsidy of ₹ 5.00 Crore from Ministry of New and Renewable Energy (Small Hydro Power Division) during current financial year.

The LLP has licenses for implementation of four more small hydel power projects with installed capacity of 97.80 MW. Amongst these, 24.90 MW Rehar-I SHP is in the most advance stage of implementation. The construction works are planned to commence in next financial year.

Your Company has 100% stake in the LLP.

- Parvatiya Power Limited (PPL) is operating 4.8 MW Loharkhet Hydro Power project in Bageshwar district of Uttarakhand. This is the first hydro power project of the Group. The plant has been successfully operating for the last thirteen years with track record of profitability. The plant enjoys debt free operations since financial year 2017-18. The Company has supplied 240.99 lakh KWh power in the FY 2020-21 (Previous Year 264.03 lakh KWh) to the state grid. During the year 2020-21, the Company has earned post tax profit of ₹ 3.44 crore (Previous Year ₹ 4.52 crore).

The company has been registered as a Small Manufacturing Unit under Micro Small and Medium Enterprises Development Act, 2006 (MSME) during the year under review. The plant has generated employment opportunities and promoted tourism in the remote area.

The capacity of the Plant is proposed to be enhanced by installing additional unit of 3 MW for which necessary approvals are being obtained from the concerned departments.

Your Company continues to hold 51% stake in PPL.

- Madhya Bharat Power Corporation Limited (MBPCL) has implemented 113 MW Rongnichu HEP in East Sikkim. The plant has successfully completed trail run operations on June 30, 2021 for declaration of commercial operation Date (COD) as per the applicable laws.

The plant has commenced operations successfully after addressing numerous challenges beyond the control of the Company such as delays in land acquisition, damages on account of earthquake, unforeseeable geological conditions in the fragile Himalayan rock and at last COVID 19 pandemic. It shall go a long way in contributing to the overall growth and development of the Group. The plant has been selected by the Office of Prime Minister (PMO) as a project of national importance. It is a CDM registered project.

MBPCL has signed PPA with Chhattisgarh State Power Distribution Company Limited for purchase of entire power on a long-term basis for a period of 35 years. The tariff for supply of contracted energy shall be the tariff as determined by the regulatory body, Chhattisgarh State Electricity Regulatory Commission (CSERC).

Your Company holds 82.96% stake in the project (73.84% directly and 9.12% through its wholly owned subsidiary Sarda Energy Limited).

- Natural Resources Energy Private Limited (NREPL) is an SPV for acquisition of mines. The entire share capital of the company is held by SEML and its wholly owned subsidiary SMAL. No business was carried out by the company during the year under review.
- Sarda Hydro Power LLP (SHP LLP), is implementing two small hydro projects namely, 24 MW Kotaiveera and 9 MW Ganeshpur, which are under survey and investigation stage.

Directors' Report

Your Company holds 60% stake in the LLP.

- Shri Ram Electricity LLP (SRE LLP) was incorporated as a special purpose vehicle (SPV) for setting up a captive thermal power plant. In view of the changed power scenario and cancellation of coal linkage for the power project, the LLP has dropped the project. Your Company continues to hold 51% stake in SRELLP. The firm will be dissolved once coal allocation related matters are closed.

Joint Ventures

- Raipur Infrastructure Company Limited (RICL) was operating a leased Railway Siding in Mandhar, Raipur. The lease has expired. The company will be wound-up after closure of pending proceedings and getting refunds from Railways and the tax authorities. Your Company holds one third share in the Joint Venture. During the year 2020-21 the Company had incurred net loss of ₹ 1.49 crore as against net profit of ₹ 0.11 crore in the previous year. The loss was mainly on account of Settlement of services charges for earlier years.
- Madanpur South Coal Company Limited (MSCCL), an SPV was allotted Madanpur South Coal Block in consortium. The Supreme Court had cancelled all coal block allotments. Consequent to cancellation of coal mines, there is no business left in the company and no other activity has been planned. MSCCL holds certain assets, including land, acquired for the project. MSCCL would be wound-up after disposal of these assets. Your Company holds 20.13% in the Joint Venture.

A report on the performance and financial position of each of the subsidiaries, associates and joint ventures as per the Companies Act, 2013 and their contribution to the overall performance of the company during the period under report is provided as part of the Consolidated Financial Statements and hence not repeated here for the sake of brevity. The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website www.seml.co.in under the head corporate governance/policies under the Investors' section.

Consolidated financial statements

The consolidated financial statements presented by the Company include financial information of its subsidiaries prepared in compliance with applicable Accounting Standards.

In accordance with Section 136 of the Companies Act, 2013, the Audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of each of its subsidiaries, are available on our website www.seml.co.in. These documents are also available for inspection.

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Padam Kumar Jain, Wholetime Director & CFO of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Further, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, in its meeting held on 13th February, 2021, subject to the consent of the members of the Company, had re-appointed Mr. Padam Kumar Jain as Wholetime Director of the Company for a period of five years w.e.f. 1st June 2021.

Furthermore, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, through Circular Resolution, subject to the consent of the members of the Company, had appointed Ms. Tripti Sinha as Independent Director on the Board for a term of five years w.e.f. 20th October, 2020.

Necessary resolutions for the above re-appointment/appointments are being made a part of the Notice convening the ensuing general meeting. Brief profile of Mr. Padam Kumar Jain and Ms. Tripti Sinha, who are proposed to be re-appointed/appointed, nature of their expertise, names of the companies in which they hold directorships, their shareholding in the Company and other relevant details are provided in the Corporate Governance Report forming part of the Annual Report.

During the year under review, the members approved the re-appointment of Mr. Pankaj Sarda, as Director liable to retire by rotation.

Your Company has received the necessary declaration from each Independent Directors who are part of Board confirming that;

- he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made there under and Regulation 25 of SEBI Listing Regulations, 2015; and
- registered themselves with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

Directors' Report

In the opinion of the Board, there has been no change in the circumstances which may affect the status of Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

During the year under review, Mrs. Uma Sarda resigned from the Directorship of the Company w.e.f. 6th November, 2020. The Board takes on record its deep appreciation of the services rendered by Mrs. Uma Sarda.

Mr. G.S. Sahni, Independent Director also retired w.e.f. 1st April, 2021 consequent to expiry of his term of office. Post retirement from the Board of the Company Mr. G S Sahni, IAS, who continued to be director on the Board of subsidiary Madhya Bharat Power Corporation Limited, suffered from COVID and expired on 9th May, 2021. The Company has benefited a lot from his vast administrative experience, deep involvement and long association. The board members places on record their deep appreciation of his contribution and pay their homage to the deceased soul.

Board Evaluation

The Board has carried out an annual evaluation of effectiveness of its functioning, that of its committees and individual Directors in the manner specified by the NRC. The Board reviewed the performance of the individual Directors, the Board as a whole and its committees.

A separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; and performance of the Chairperson of the Company, considering the views of Executive Directors and Non-Executive Directors.

This was followed by a Board meeting that discussed the performance of the Board, its committees and individual Directors including independent Directors. During evaluation of the individual director, the concerned director was not present in the meeting. The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. Key criteria for performance evaluation are given in [Annexure A](#) to directors' report.

Remuneration Policy for the Board and Senior Management

Your Company follows a policy on remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company. The policy is approved by the Nomination & Remuneration Committee of the Company. Remuneration Policy for Directors, Key Managerial Personnel and other employees is marked as [Annexure B](#) to directors' report.

Your Company with the approval of Nomination & Remuneration Committee has adopted a policy on Board diversity and the recommendation of candidature for Board appointment will be based on merit that complements and expands the skills, experience and expertise of the Board as a whole, taking into account gender, age, professional experience and qualifications, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board. The criteria for determining Qualification, positive attributes and Independence of director is enclosed as [Annexure C](#) to directors' report.

Familiarization programmes for Board Members

The Familiarization program aims to provide insight to the Independent Directors to understand the business of the Company. Upon induction, the Independent Directors are familiarized with their roles, rights and responsibilities. Your Company provides information to familiarize the Independent Directors with the strategy, operations and functions of the Company. The Board members are also taken to the sites of subsidiaries to understand and review their functions.

At various Board meetings during the year, the Board members are provided with information/ presentations and are given the opportunity to interact with the Senior Management of your Company to help them to understand the Company's strategy/policies, business model, operations, products, markets, organization structure, finance, human resources, technology, quality, facilities and risk management, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and such other matters as may arise from time to time.

Quarterly presentations on operations made to the Board include information on business performance, operations, safety, market scenario, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario, etc.

The policy on familiarization programmes for Independent Directors is posted on the website of the Company www.seml.co.in and can be accessed under the head corporate governance/ policies under the Investors' section. The details of the familiarization program are also available on the Company's website, at <http://www.seml.co.in/Corporate%20Governance/Familiarization%20Programmes.pdf>

Directors' Report

Directors' Responsibility Statement

Your directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Key Managerial Personnel

During the year, there was no change in the Key Managerial Personnel.

Auditors and Auditors' Report

Statutory Auditors

At the Annual General Meeting for the financial year 2018-19 held on 21st September 2019, M/s. O.P. Singhanian & Co., Chartered Accountants, Raipur were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting (AGM) to be held in the calendar year 2024.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. During the year under review, the Auditors did not report any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company, in respect of various manufacturing activities are required to be audited.

The cost audit report for the financial year 2019-20 was filed with the Ministry of Corporate Affairs. M/s. S.N. & Co., Cost and Management Accountants, were appointed as the Company's Cost Auditor.

Your directors have, on the recommendation of the Audit Committee, appointed M/s. S.N. & Co., Cost and Management Accountants, to audit the cost accounts of the Company on a remuneration of ₹ 2.00 lakh for the year 2021-22.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors:

- i) for 2020-21 has been approved by the members in the Annual General Meeting held on 24.09.2020.
- ii) for 2021-22 is being placed before the members in the ensuing annual general meeting for approval.

Secretarial Auditor

The Board has appointed M/s. S.G. Kankani & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith marked as Annexure D to this Report.

With reference to the comment of the secretarial auditors regarding -

- a) non-submission of information to Calcutta Stock Exchange - your directors wish to inform that the Company had complied with all requirements for delisting of its shares from Calcutta Stock Exchange (CSE) in February, 2004. The delisting application is still pending on the part of CSE. In view of the pendency of delisting application, the

Directors' Report

Company has stopped sending any information to the Calcutta Stock Exchange and has also reported the matter to SEBI.

- b) delay of 202 days in appointment of Independent Women Director on the Board of Directors in terms of SEBI LODR Regulations – your directors wish to inform that the spread of COVID -19 pandemic delayed the selection of suitable candidate. However, the Company has appointed a woman independent director w.e.f. 20th October, 2020.

Further, in terms of requirement of regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report, for the financial year ended 31st March 2021, in respect of Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited, the material subsidiaries of the Company, is annexed to this report, marked as [Annexure E](#) and [Annexure F](#) respectively.

Corporate Social Responsibility (CSR)

With the objective of sustainable development and continual improvement, your Company adopts a voluntary and proactive approach to CSR to connect with the society by creating a sense of belonging. The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Rural Transformation, Health, Education, Sports for Development, Arts, Culture & Heritage. Your Company strives for sustainable development programs in partnership with the community.

Members are requested to refer the Corporate Governance Report forming part of this annual report for the composition of the CSR Committee. The CSR policy of the Company is available on the website of the Company – www.seml.co.in - under the head corporate governance/policies under the Investors' section. The annual report on the CSR activities is annexed as [Annexure G](#) to this report.

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. During the year, the Company's spending on CSR has been more than the statutorily required.

Corporate Governance

Pursuant to the Listing Regulations, Corporate Governance Report along with the Auditors' Certificate regarding compliance of conditions of Corporate Governance is made a part of the Annual Report.

Business Responsibility / Sustainability Report

The Company is committed to pursue its business objectives sustainably, ethically, transparently and with accountability to all its stakeholders. The Company believes in ensuring environmental well-being with a long-term perspective as well as demonstrating responsible behaviour while adding value to the society and the community. The Company focuses on waste recycling. The Business Responsibility Report (BRR) of the Company forming part of this annual report is being presented to the stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the environmental, social and governance initiatives taken by the Company.

The Company has also provided the requisite mapping of principles of the National Guidelines on Responsible Business Conduct to fulfill the requirements of the Business Responsibility Report as per directive of SEBI.

Disclosures

Board/Committees/Vigil Mechanism

The Board of Directors met 7 (seven) times during the financial year 2020-21. The details of the composition of Board of Directors, Corporate Social Responsibility Committee, Audit Committee, other committees of the Board, meetings of the board and committees and attendance of directors at the Board and committee meetings and implementation of Vigil Mechanism are given in the Corporate Governance Report forming part of this Annual Report.

Particulars of Loans given, Investments made, Guarantees given and Securities provided

Particulars of loans given, investments made and guarantees given are given in note no. 11, 47, 3, 7 and 41 to the standalone financial statements. The Company, in its capacity of promoter, has pledged shares of Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited with the lenders of respective companies for loans granted to them by the lenders. The details of pledged shares are given as part of the financial statements. The loans and the guarantees given are utilized by the recipients for their business purposes. Members are requested to refer the notes for details, which are not repeated here for the sake of brevity.

Directors' Report

Contracts and Arrangements with Related Parties

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business to further the business interests of the Company. Prior approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act. Also, there were no material related party contracts entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for financial year 2020-21 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone / consolidated financial statements forming part of this Report.

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website – www.sem1.co.in – under Policies under Investors' section.

Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in [Annexure H](#) to this Report.

Annual Return

The Annual Return of the Company as on 31st March, 2021 is available at <http://sem1.co.in/Corporate%20Governance/Annual%20Return%202020-21.pdf>

Particulars of Employees and related disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is annexed herewith as [Annexure I](#) to this Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in [Annexure J](#) to this report.

Risk Management

The Risk Management Committee has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, accident, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

A Risk Management Policy and a Hedging Policy as approved by the Board of Directors is in place. The Company monitors and manages the risks and uncertainties that can impact its ability to achieve its strategic objectives.

General

Your directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review -

1. Details relating to deposits covered under Chapter V of the Act;
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

Directors' Report

Your directors further confirm that -

- a) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
- b) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- c) The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records are made and maintained;
- d) The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively;
- e) The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013];
- f) Under the Insolvency and Bankruptcy Code 2016, no applications were made during the financial year 2020-21 by or against the Company and there are no proceedings pending as at the end of the financial year;
- g) The Company has not made any one time settlement with any of its lenders.

Furthermore, your directors also state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosures/information/details disclosed/given elsewhere in the annual report have not been repeated again in the directors' report for the sake of brevity. Members are requested to refer relevant sections for the information. All policies/disclosures required to be disclosed on the website are available under the Investors' section on the website of the Company at www.seml.co.in.

Acknowledgement

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. The directors place on record their gratitude for the valuable guidance and support rendered by various Government departments, and other regulatory authorities and agencies for their support and look forward to their continued support in future.

On behalf of the Board of Directors

Raipur
31st July, 2021

(K. K. Sarda)
Chairman & Managing Director
DIN: 00008170

Annexure "A" to the Directors' Report

KEY EVALUATION CRITERIA

Evaluation of Board

- Composition of the Board
- Procedures for Nomination and appointment of Board members and their remuneration
- Leadership by the Chairman of the Board
- Receipt of proper and timely information by the Board members
- Meaningful/active participation at board meetings
- Consideration of quality and appropriateness of financial accounting and reporting including the transparency of disclosures
- Existence and effective working of necessary committees

Evaluation of Independent Directors

- Understanding of the Company and the external environment in which it operates and contribution to strategic direction
- Knowledge about company's products/services/activities
- Attendance and participations in the meetings and timely inputs on the minutes
- Adherence to ethical standards and code of conduct of Company and disclosure of non-independence, as and when it exists and disclosure of interest
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
- Interpersonal relations with other directors and management
- Objective evaluation of Board's performance, rendering independent, unbiased opinion

Evaluation of Non-Independent Directors

- Attendance and participations in the meetings and timely inputs on the minutes
- Contribution towards growth of the Company
- Leadership initiative
- Adherence to ethical standards and code of conduct of Company
- Teamwork attributes and supervising & training of staff members
- Compliance with policies, reporting of frauds, violations, etc. and disclosure of interest
- Safeguarding of interest of whistle blowers under vigil mechanism and safeguard of confidential information

Annexure "B" to the Directors' Report

Remuneration Policy

I. Preamble

As per the requirements of Companies Act, 2013 and the Listing Regulations, the Board of Directors of Sarda Energy & Minerals Limited ("Company") has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

The Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and teamwork, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

II. Objective

The objectives of the Policy shall be to:

1. retain, motivate and promote talent and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
2. guide and assist the Board in laying down and administer ESOP Compensation policy in terms of SEBI Guidelines, as and when decided.

III. Guiding Principles

The following principles shall act as guiding factors while designing compensation for Directors, Key managerial personnel, senior management and other employees:

1. Aligning key executive and board remuneration with the long-term interests of the Company and its shareholders
2. Minimize complexity and ensure transparency
3. Link to long term strategy as well as annual business performance of the Company
4. Promote a culture of meritocracy and is linked to key performance and business drivers
5. Reflective of line expertise, market competitiveness so as to attract the best talent.
6. Consideration for living condition, industry practices, pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

IV. Remuneration

1. General

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the provisions of the Act and further subject to prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b. The remuneration and commission to be paid to the Whole-time Directors shall be in accordance with the approval of the shareholders of the Company and as per the provisions of the Act.
- c. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be in terms of the approval of the Shareholders in the case of Whole-time Director.
- d. Where any insurance is taken by the Company for its Whole-time Director, Key Managerial Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

e. Leave

The employees, including directors where applicable, shall be eligible for casual leave, earned leave and maternity leave as per prevailing Rules of the Service.

Annexure "B" to the Directors' Report

f. **Retirement benefits**

The Company shall extend Provident Fund and Gratuity benefits as per provisions of the applicable law. In addition, the Company may extend benefit of Provident Fund to employees drawing higher salary and also contribution to superannuation and other pension fund/schemes for selective employees with mutual consent. The gratuity, superannuation and pensionary contribution shall be invested in approved funds.

g. **Loans to employees**

The Company may extend interest free/ concessional loans to the employees of the Company for meeting fund requirement for higher education of children, land purchase, building purchase/ construction/ furnishing & repair, marriage of self and family members, medical treatment of self and family members and other exigencies. For the purpose Rules shall be framed with authority for exceptions at appropriate levels.

2. **Remuneration to Whole-time / Managing Director**

a. **Fixed pay**

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee subject to approval of the shareholders and Central Government, wherever required. The breakup of the pay and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, allowances, severance payments, etc. shall be decided and approved by the Board/the Person authorized by the Board on the recommendation of the Committee.

b. **Variable pay**

The Committee may recommend suitable performance related variable payments linked to the performance of the Director concerned and of the Company.

c. **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

d. **Provisions for excess remuneration**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

e. **Stock Options**

The Committee shall determine the stock options and other share-based payments to be made to Whole Time Directors, subject to prevailing guidelines of SEBI, if any.

3. **Remuneration to Non- Executive / Independent Director**

a. **Remuneration / Commission**

Commission may be paid within the monetary limit approved by shareholders, subject to the limits prescribed in the Act computed as per the applicable provisions of the Act.

b. **Sitting Fees**

The Non- Executive /Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee.

Provided that the amount of such fees shall not exceed the amount as may be prescribed by the Central Government from time to time.

c. **Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

Annexure "B" to the Directors' Report

- d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as remuneration, if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

4. Remuneration to Key Managerial Personnel and Senior Management

- a. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b. The Committee shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- c. The Fixed pay shall include monthly remuneration, employer's contribution to superannuation fund, Provident Fund, contribution to pension fund, pension schemes, allowances, bonus, etc. as decided from to time, for which Rules shall be framed.
- d. The Incentive pay, if any, shall be decided based on the performance of the Company and the performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

5. Other Employees

- a. The remuneration of other employees shall be fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they shall also be provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, wherever applicable. Policy of motivation/reward/severance payments are applicable to this category of personnel as in the case of those in the management cadre.
- b. The implementation of remuneration policy for other employees is to be ensured by CMD/JMD of the Company or any other personnel that the CMD/JMD may deem fit to delegate.

V Remuneration Duties

The duties of the Committee in relation to remuneration matters shall include:

1. considering and determining the remuneration based on such other factors as the Committee shall deem appropriate bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate talent.
2. approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
3. professional indemnity and liability insurance for Directors and senior management.

VI Implementation

1. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
2. The Committee may delegate any of its powers to one or more of its members.

VII Policy Review

The Committee may assess the adequacy of this Policy and suggest any necessary or desirable amendments from time to time in the policy to the Board for approval to ensure it remains consistent with the Company's objectives, current laws and best practices.

VIII Dissemination

This Remuneration Policy shall be disclosed in the Board's report and shall be placed on the website of the Company as required under the Companies Act, 2013 and the Listing Regulations.

Annexure "C" to the Directors' Report

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, AND INDEPENDENCE OF A DIRECTOR

Qualifications

- i) diversity of thought, experience, knowledge, perspective, age and gender.
- ii) appropriate blend of functional and industry expertise.
- iii) Independent Directors ("ID") ideally should be thought/ practice leaders in their respective functions/ domains.

Positive attributes

- i) compliance with duties as provided in the Companies Act, 2013.
- ii) possessing highest standards of ethical and moral qualities, strong interpersonal and communication skills and soundness of judgment as are considered eligible for the position.
- iii) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- iv) exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- v) IDs are also expected to abide by the Code for Independent Directors as outlined in Schedule IV to section 149(8) of the Companies Act, 2013.

Independence

A director will be considered as an "Independent Director" if the person meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 and the Listing Regulations.

Annexure "D" to the Directors' Report

Secretarial Audit Report for the financial year ended 31st March 2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2020-21

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/S Sarda Energy & Minerals Limited
CIN: L27100MH1973PLC016617
73-A, Central Avenue
Nagpur 440018 (MH)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sarda Energy & Minerals Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vi) Other laws applicable specifically to the Company namely:
 - a) Mines Act, 1952 and the rules made thereunder;
 - b) Mines & Minerals (Development & Regulation) Act, 1957 and the rules made thereunder;
 - c) Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 and the rules made thereunder;
 - d) Explosives Act, 1884 and the rules made thereunder;

We have also examined compliance with the applicable clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 & Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above except the following:-

Annexure "D" to the Directors' Report

- a) The Company has not submitted any information /documents with the Calcutta Stock Exchange. In this regard we have been informed that the Company has applied for delisting of its shares from Cochin, Delhi and Calcutta Stock Exchanges in February 2004. The Cochin and Delhi Stock Exchange have delisted the shares of the Company but the delisting application with the Calcutta Stock Exchanges is still pending. In view of the pendency of delisting application, the Company has stopped sending any information to the Calcutta Stock Exchange and has also reported the matter to SEBI.
- b) There was delay of 202 days in appointment of Independent Women Director on the Board of Directors of the Company in pursuance of the provisions of Regulation 17(1)(a) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that there were no actions/events in pursuance of:

- a) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
requiring compliance thereof by the Company during the Financial Year.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all the directors of the Board Meetings/Committee meetings, agenda along with detailed notes thereon were sent as per the provisions of the Act to all the Directors, and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Note: This report is to be read with our letter of even date which is annexed as Annexure - A and forms an integral part of this report.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)
Partner

FCS No.: 10807

CP No.: 14660

PR: 1396/2021

UDIN: F010807C000718668

Raipur (C.G.)
31st July, 2021

Annexure "D" to the Directors' Report

ANNEXURE - A to Secretarial Audit Report

To,
The Members
M/S SARDA ENERGY & MINERALS LIMITED
CIN: L27100MH1973PLC016617
73-A, Central Avenue,
Nagpur 440018 (MH)

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records, Books of Accounts of the Company. Further, we have also not verified other financial laws like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory auditor and other designated professionals.
- 4) Wherever required, we have obtained the representations about the compliance of laws, rules and regulation and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

PR: 1396/2021

UDIN: F010807C000718668

Raipur (C.G.)
31st July, 2021

Annexure "E" to the Directors' Report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended 31st March, 2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2020-21

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

M/s Sarda Metals & Alloys Limited

(CIN: U51420MH2008PLC187689)

125, B-Wing, Mittal Court

Nariman Point, Mumbai - (MH)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sarda Metals & Alloys Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID – 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder. We also report that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Due to an unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, we have examined in the best possible manner, through the virtual platform, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (iv) Other laws applicable specifically to the Company as per the representation made by the Company.

We have also examined the compliance of Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

We further report that since the Company is an unlisted public limited company, therefore, the desired information under Securities and Exchange Board of India Act, 1992 and the regulations and guidelines prescribed thereunder and the Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder are not applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, there were no changes in the composition of the Board of Directors that took place during the period under review.

We further report that adequate notice of the Board Meetings/ Committee meetings has been given to all the directors, agenda along with detailed notes thereon were sent as per the provisions of the Act to all the Directors and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Annexure "E" to the Directors' Report

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

PR: 1396/2021

UDIN: F010807C000687991

Raipur (C.G.)
26th July, 2021

'ANNEXURE-A' to Secretarial Audit Report of Sarda Metals & Alloys Limited

To,
The Members
M/S Sarda Metals & Alloys Limited
(CIN: U51420MH2008PLC187689)
125, B-Wing, Mittal Court
Nariman Point, Mumbai - (MH)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, Books of Accounts of the Company. Further, we have also not verified other financial laws, like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory audit and other designated professionals.
4. Wherever required, we have obtained the representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is partially limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

PR: 1396/2021

UDIN: F010807C000687991

Raipur (C.G.)
26th July, 2021

Annexure "F" to the Directors' Report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended 31st March, 2021

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2020-21

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

M/s Madhya Bharat Power Corporation Limited

CIN: U74899DL1994PLC061349

E-585, Ground Floor, Greater Kailash - II

New Delhi – 110048

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Madhya Bharat Power Corporation Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of COVID 19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Due to an unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, we have examined in the best possible manner, through the virtual platform, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Other laws applicable specifically to the Company as per the representation made by the Company.

We have also examined the compliance of Secretarial Standards issued by the Institute of Company Secretaries of India.

We report that, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

We further report that since the Company is an unlisted public limited company, therefore, the desired information under Securities and Exchange Board of India Act, 1992 and the regulations and guidelines prescribed thereunder & the Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder are not applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors of the Company during the period under review.

We further report that adequate notice is given to all the directors of the Board Meetings/ Committee meetings, agenda along with detailed notes thereon were sent as per the provisions of the Act to all the Directors, and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Annexure "F" to the Directors' Report

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807C000674679

Raipur (C.G.)
22nd July, 2021

'ANNEXURE-A' to Secretarial Audit Report of Madhya Bharat Power Corporation Limited

To,
The Members
M/s Madhya Bharat Power Corporation Limited
CIN: U74899DL1994PLC061349
E-585, Ground Floor
Greater Kailash - II
New Delhi – 110048

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records, Books of Accounts of the Company. Further, we have also not verified other financial laws, like direct and indirect tax laws as applicable to the Company, since the same has been subject to review by statutory audit and other designated professionals.
4. Wherever required, we have obtained the representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is partially limited to virtual examination based on inputs provided by the management in soft copies. Any material deviation or non-compliance which may have occurred during the year under review and which may come to light later on, on the examination of the physical records can be addressed, if appropriate and found necessary, in the next Secretarial Audit Report, which report may be construed as an addendum to this report to that extent.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For, **S. G. KANKANI & ASSOCIATES**
Company Secretaries

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807C000674679

Raipur (C.G.)
22nd July, 2021

Annexure "G" to the Directors' Report

Annual Report on CSR Activities

1. **Brief outline on CSR Policy of the Company** : CSR Policy of SEML shall ensure that all developmental activities/ initiatives undertaken are accessible to the most deserving segments such as children, women, elderly and those with disabilities. This would reflect particularly in the field of education, healthcare, sanitation, community welfare, skill development, infrastructure development, rural development, etc.
- The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society. SEML adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact.
- The main objective of CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development for the society. It aims at supplementing the program of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. The focus areas under SEML CSR policy are Education, healthcare, sports, art & culture, rural development programmes, social business projects, etc.
2. **Composition of CSR Committee** :
- | Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---|---------------------------------------|--|--|
| 1 | Mr. G.S. Sahni
(till 31.03.2021) | Chairman / Independent Director | 2 | 2 |
| 2 | Mr. Rakesh Mehra
(w.e.f. 01.04.2021) | Chairman / Independent Director | NA | NA |
| 3 | Mr. K. K. Sarda | Member / Chairman & Managing Director | 2 | 2 |
| 4 | Mr. Pankaj Sarda | Member / Jt. Managing Director | 2 | 2 |
3. **Web-link on the website of the company for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed.** : CSR Committee:
<http://www.seml.co.in/Corporate%20Governance/Board%20Committees.pdf>
 CSR Policy:
<http://seml.co.in/Corporate%20Governance/SEMLCSRPolicy.pdf>
 CSR Report:
<http://seml.co.in/Corporate%20Governance/SEML%20CSR%20March%202021.pdf>
4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).** : Not Applicable

Annexure "G" to the Directors' Report

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ lakh)	Amount required to be set-off for the financial year, if any (₹ lakh)
1	2017-18	NIL	NIL
2	2018-19	NIL	NIL
3	2019-20	NIL	NIL
TOTAL		NIL	NIL

6. Average net profit of the company as per section 135(5) : ₹ 256.92 crore

7. a. Two percent of average net profit of the company as per section 135(5) : ₹ 513.84 lakh

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years : NIL

c. Amount required to be set off for the financial year, if any : NIL

d. Total CSR obligation for the financial year (7a+7b- 7c) : ₹ 513.84 lakh

8. a. CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (₹ in lakh)	Amount Unspent (₹ lakh)				
	Total Amount transferred to CSR Account as per section 135(6).	Unspent	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	Name of the Fund	Date of transfer
	Amount.	Date of transfer	Amount		
537.17	NIL	N.A.	NIL	N.A.	N.A.

b. Details of CSR amount spent against ongoing projects for the financial year

Annexure "G" to the Directors' Report

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency
				State. District.					Name	CSR Regist. No.
NOT APPLICABLE										

c. Details of CSR amount spent against other than ongoing projects for the financial year : Please refer the table below-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	State.	District.	Amount spent for the project (₹ lakh).	Mode of implementation - Direct (Yes/No).	Name.	CSR Registration number
1	Art & Culture	Clause (v)	Yes/No	Chhattisgarh	Raipur, Rajnandgaon	4.36	Yes	--	NA
2	Art & Culture	Clause (v)	No	Uttar Pradesh	Ayodhya	21.00	No	Shri Ram Janma Bhoomi Teerth Kshetra	NA
3	Education	Clause (ii)	Yes	Chhattisgarh	Various	11.00	No	Friends of Tribal Society	NA
4	Education	Clause (ii)	Yes	Chhattisgarh	Raipur	360.00	No	Ram Kishore Sarda Seva Trust	NA
5	Education	Clause (ii)	No	MP/WB	Various	51.00	No	Parivaar Education Society	NA
6	Education	Clause (ii)	Yes	Chhattisgarh	Raipur	2.73	Yes	--	NA
7	Armed forces veterans	Clause (vi)	Yes	Chhattisgarh	Raipur	0.10	Yes	--	NA
8	Healthcare	Clause (i)	Yes	Chhattisgarh	Raipur	1.51	No	Shivpriya Pyramid spiritual Trust	NA
9	Healthcare	Clause (i)	No	Various	Various	11.00	No	Akshyapatra	NA
10	Healthcare	Clause (i)	Yes	Chhattisgarh	Raipur / Rajnandgaon	20.54	Yes	--	NA
11	Rural Development	Clause (x)	Yes	Chhattisgarh	Raipur	43.92	Yes	--	NA
12	Sports	Clause (vii)	Yes	Chhattisgarh	Raipur	0.32	Yes	--	NA
TOTAL						527.48			

d. Amount spent in Administrative Overheads : ₹ 9.69 lakh

e. Amount spent on Impact Assessment, if applicable : ₹ NIL

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 537.17 lakh

g. Excess amount for set off, if any : ₹ 23.33 lakh

Annexure "G" to the Directors' Report

Sl. No.	Particular		Amount (in ₹ lakh)					
(i)	Two percent of average net profit of the company as per section 135(5)		513.84					
(ii)	Total amount spent for the Financial Year		537.17					
(iii)	Excess amount spent for the financial year [(ii)-(i)]		23.33					
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any		NIL					
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]		23.33					
9.	a. Details of Unspent CSR amount for the preceding three financial years :							
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ lakh)	Amount spent in the reporting Financial Year (in ₹ lakh).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years (in ₹ lakh)		
				Name of the Fund	Amount (in ₹ lakh)	Date of transfer		
1	2017-18							
2	2018-19			NOT APPLICABLE				
3	2019-20							
TOTAL								
9.	b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹ lakh).	Amount spent on the project in the reporting Financial Year (in ₹ lakh).	Cumulative amount spent at the end of reporting Financial Year. (in ₹ lakh).	Status of the project - Completed /Ongoing.
1								
2				NOT APPLICABLE				
3								
TOTAL								
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise detail)			NOT APPLICABLE				
	a. Date of creation or acquisition of the capital asset(s)			NOT APPLICABLE				
	b. Amount of CSR spent for creation or acquisition of capital asset			NOT APPLICABLE				

Annexure "G" to the Directors' Report

	c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	:	NOT APPLICABLE
	d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	:	NOT APPLICABLE
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	:	NOT APPLICABLE

Sd/-
Kamal Kishore Sarda
(Chairman & Managing Director)

Sd/-
Rakesh Mehra
(Chairman CSR Committee)

Annexure "H" to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to the Companies (Accounts) Rules, 2014]

A. Conservation of energy

i) Steps taken or impact on conservation of energy.	<p>Sponge Iron Plant</p> <p>i) Energy saving through Raw material Feeding circuit Modification (Primary circuit -100TPD), Energy saved 60000 KWH /year.</p> <p>ii) Energy saving through improved lighting arrangement resulted in energy saving of 38800 KWH/year.</p> <p>Billet Plant</p> <p>i) Upgradation of DM Pump (F/c- C): Introduction of 1x30 KW DM pump in place of 2x18 KW pump.</p>
ii) The steps taken by the company for utilizing alternate sources of energy	----
iii) The capital investment on energy conservation equipment	₹ 9.95 lakh

B. Technology absorption

i) The efforts made towards technology absorption	<p>i) Installation of furnace lining heater for preheating of furnace refractory before switching on the Sintering cycle (first heat) in Induction furnace division.</p> <p>ii) In Ferro Alloys plant existing hearth depth of furnace A,B,C & D changed from 3100 mm to 2700 mm for better electrode regulation & penetration, minimize breakage of electrode, optimum load utilization in each furnace leading to maximum power utilization and productivity of the Furnace.</p> <p>iii) Utilization of granulated SiMn slag as well as crushed SiMn lumpy slag (-10 mm) for brick manufacturing.</p> <p>iv) SiMn slag (10-20 mm) is being used as the substitute of stone chips in concrete for flooring of yard & roads.</p>
ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<p>i) Reduction in Sintering heat by 20 Mins leading to productivity improvement, reduction in delay due to GLD/moisture content in Ramming Mass & reduction in pollution as fire wood burning will be stopped.</p> <p>ii) In Ferro Alloys plant electrode breakage has been reduced (almost nil in all furnaces), load utilization increased from 6.2 mw to 7.2 mw in each furnace leading to maximum power utilization and increased productivity of the Furnace.</p> <p>iii) Granulated SiMn slag and crushed SiMn lumpy slag (-10 mm) is being used as the substitute of sand and stone dust (which cost is ₹ 475-500/MT) for brick manufacturing . By using this we are reducing cost of production as well as saving the disposal cost of waste.</p> <p>iv) SiMn slag (10-20 mm) is being used as the substitute of stone chips (which cost is approx ₹ 600/MT) in concrete. By using this we are reducing civil cost as well as saving disposal cost of waste.</p>

Annexure "H" to the Directors' Report

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
a) The details of technology imported	--
b) The year of import	--
c) Whether the technology has been fully absorbed	--
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	--
iv) The expenditure incurred on Research and Development	Expenditure on R & D is not specifically accounted for. Internal team undertakes the R & D activities.

C. Foreign exchange earnings and outgo

1 Total foreign exchange earnings and outgo (₹ in crore)	
a) Foreign exchange earnings	: 159.15
b) Foreign exchange outgo	: 2.91

On behalf of the Board of Directors

Raipur
31st July, 2021**(K.K. Sarda)**
Chairman & Managing Director
DIN: 00008170

Annexure "I" to the Directors' Report

Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Information under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details about top ten employees in terms of remuneration drawn

Name	Designation	Remuneration received (₹ in lakh)	Nature of employment, whether contractual or otherwise	Qualification	Total Experience	Date of commencement of employment	Age	Last employment held	Names of other directors related to the employee
Mr. K.K. Sarda	Chairman & Managing Director	465.57	Contractual	B.E. (Mech.)	45 Years	16.12.1978	69 years	---	Mr. Pankaj Sarda
Mr. P. Sarda	Joint Managing Director	301.69	Contractual	BE (Ind. Engg.), MS (IA)	18 Years	01.04.2003	42 Years	---	Mr. K. K. Sarda
Mr. P.K. Jain	WTD & CFO	58.89	Permanent	CA, CS, B. Com	35 Years	12.04.1997	58 Years	Somaiva Ogano Chem. Limited	---
Mr. A.K. Nanda	Head (Works)	43.23	Permanent	BSC-Engg	45 Years	03.08.2011	68 Years	Tata Sponge Iron Limited	---
Mr. Sanjeev Agrawal	Head - Commercial	37.73	Permanent	B.E. (Mech.)	32 Years	27.08.2007	57 Years	Torrent Power	---
Mr. Nilay Joshi	Head (Corporate Fin)	37.12	Permanent	MBA Finance	16 Years	11.03.2019	41 Years	RBL Bank Limited	---
Mr. Ginish Kumar Lakhotia	Head - Project	30.69	Permanent	BE (Mech.)	20 Years	01.10.2001	59 Years	---	---
Mr. Ajay Singhal	Head (Finance & Accounts)	30.40	Permanent	CA, B.Com	25 Years	15.10.2004	52 Years	GCMMF Limited (Amul)	---
Mr. Manoj Kumar Shah	Head-CMO	27.34	Permanent	BE	27 Years	20.07.1994	50 Years	---	---
Mr. Pradeep Kumar Sarad	Head-Pellet	27.33	Permanent	BE (Electronics)	31 Years	04.01.2007	56 Years	Nixon Steel & Power Ltd	---

Notes:

1. Remuneration, as shown above, includes salary, allowance, commission, contribution to provident fund, and monetary value of perquisites but excludes contribution to gratuity fund on the basis of actuarial valuation as separate figures are not available.
2. Other terms and conditions are as per Company's rules/scheme.

Information under Rules 5(2)(i) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Mr. Kamal Kishore Sarda	Mr. Pankaj Sarda
Designation	Chairman & Managing Director	Jt. Managing Director
Remuneration received	₹ 465.57 lakh	₹ 301.69 lakh
Nature of employment, whether contractual or otherwise	Contractual	Contractual
Qualification and experience	BE (Mech), Nearly 45 years of Industrial experience	BE (Ind. Engg), MS (IA), Nearly 18 years of Industrial experience
Date of commencement of employment	16.12.1978	01.04.2003
Age	69 years	42 years
Last employment held	---	---
Names of other directors related to the employee	Mr. Pankaj Sarda (Son)	Mr. Kamal Kishore Sarda (Father)

Notes:

1. Remuneration, as shown above, includes salary, allowance, commission, contribution to provident fund, and monetary value of perquisites but excludes contribution to gratuity fund on the basis of actuarial valuation as separate figures are not available.
2. Other terms and conditions are as per Company's rules/scheme

Annexure "J" to the Directors' Report

Particulars of employees - Information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

S. No.	Name of Director / KMP	Remuneration of Director/ KMP for F.Y. 2020-21 (₹ in lakh)	% increase in Remuneration in the F.Y. 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. K.K. Sarda	465.57	14.02	132.99
2	Mr. Pankaj Sarda	301.69	49.58	86.18
3	Mr. P.K. Jain – CFO & WTD	58.89	(0.67)	16.82
4	Mr. A.K. Basu	7.00	37.25	2.00
5	Mr. C.K. Lakshminarayanan	7.00	48.94	2.00
6	Mr. G. S. Sahni*	6.80	51.11	1.94
7	Mr. J. Balakrishnan	6.80	30.77	1.94
8	Mr. Rakesh Mehra	6.80	61.90	1.94
9	Ms. Tripti Sinha@	3.80	NA	1.09
10	Mrs. Uma Sarda#	2.60	116.67	0.74
11	Mr. Manish Sethi (CS)	13.54	(3.22)	N.A.

* Retired w.e.f. 1st April, 2021

@ appointed w.e.f. 20th October, 2020

Resigned w.e.f. 6th November, 2020

- ii) The median remuneration of employees of the Company during 2020-21 was ₹ 3.50 lakh.
- iii) In 2020-21, there was no change in the median remuneration of employees.
- iv) There were 1,210 permanent employees on the rolls of Company as on 31st March, 2021.
- v) In view of the pandemic, no increments were proposed during the year under review for employees, except for Chairman & Managing Director whose salary was on time scale. However, commission payable to the Directors was increased in line with performance of the Company as considered and approved by the Nomination & Remuneration Committee / Board of Directors, resulting into an overall increase of 22.89%.
- vi) The increase in remuneration of directors was mainly because of increase in payment of commission on account of improved performance as per audited accounts.
- vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

On behalf of the Board of Directors

Raipur
31st July, 2021

(K.K. Sarda)
Chairman & Managing Director
DIN: 00008170

Management Discussion and Analysis

The operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company for the Financial Year 2020-21, and outlook for the current financial year. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. This report is an integral part of the Directors' Report.

Industry Structure and Development

Global Economy

Global prospects remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The outlook depends not just on the outcome of the battle between the virus and vaccines—it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

The global economy is expected to expand 6% in 2021 on low base, moderating to 4.4 percent in 2022, assuming an initial COVID-19 vaccine rollout becomes widespread throughout the year. Although the global economy is growing again after a contraction in 2020, top near-term policy priorities are controlling the spread of COVID-19 and ensuring rapid and widespread vaccine deployment. To support economic recovery, authorities also need to facilitate a reinvestment cycle aimed at sustainable growth that is less dependent on government debt.

While the global economy is expected to recover to its pre-pandemic level of output in 2022, the emerging-market and developing economies are expected to take until 2023 to recover to the pre-pandemic level. Policy rates in the United States, Eurozone, United Kingdom, and Japan may remain near zero, well beyond 2021. Divergent recovery paths are likely to create wider gaps in living standards across countries compared to pre-pandemic expectations.

Indian Economy

India's economy, which contracted by a record 7.3% in 2020, witnessed a gradual resumption of economic activity from Q2FY2021 and is emerging as the world's fastest-growing major economy, with the International Monetary Fund (IMF) holding its growth forecasts as high as 8.5% for FY23. The IMF has projected an impressive 9.5 per cent growth rate for India in 2021, stronger than that of China, the only major economy to have a positive growth rate last year during the COVID-19 pandemic.

The Economic Survey 2020-21 has drawn attention to the V-shaped economic growth, a testament to the burgeoning Indian economy and its intrinsic strength. The recovery was driven by government spending on infrastructure, exports and rural economy. The recovery gained momentum with pickup in consumption demand driven by festive buying and return of urban consumption. While the growth will depend upon the trajectory of the pandemic, the overall impact on the economy is expected to be less severe than last year.

India is expected to witness complete economic recovery in H2FY2022 because of -

- ongoing vaccination drive;
- increased spending on infrastructure; and
- recovery in consumption supported by urban demand.

As projected in the Union Budget 2021-22, increased government expenditure is expected to attract private investments, with production-linked incentive schemes providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy. However, normal growth levels will be seen in FY 2022-23 only, provided no further economic disruption occurs and the ongoing vaccination drive achieves the desired result.

Iron and Steel

Despite the disastrous impact of the pandemic on lives and livelihoods, the global steel industry was fortunate enough

Management Discussion and Analysis

to end 2020 with only a minor contraction of 0.2% against a growth of 3.7% in 2019 in steel demand. The total demand in 2020 was 1,772 MnT against 1,775 MnT in 2019. This was due to a surprisingly robust recovery in China. North America and the European Union ('EU') and rest of the world also experienced strong decline in steel demand owing to the COVID-19 pandemic. India also contributed to global decline, as steel consumption in India declined by 13.7% to 88.5 MnT in 2020 against 102.6 MnT in 2019.

As per the short-range outlook for 2021 and 2022 released by The World Steel Association, the steel demand is expected to grow by 5.8% in 2021 to reach 1,874.0 million tonnes (Mt). In 2022 steel demand is further expected to achieve growth of 2.7% to reach 1,924.6 Mt. The current forecast assumes that the ongoing second or third waves of infections will stabilize in the second quarter and that steady progress on vaccinations will be made, allowing a gradual return to normality in major steel-using countries.

India's Crude Steel output declined in the FY 20-21. However, the exports of steel saw good rise of 28% in FY 20-21. India's steel production recovered gradually, initially driven by export, followed by gradual recovery in domestic demand. The recovery in automotive production and white goods manufacturing was quicker than expected when the strictest lockdown measures were lifted. The construction sector was less affected, as it was supported by government stimulus schemes in many regions. As a result, steel prices rallied in all regions in late 2020. In 2021, India's steel demand is expected to grow by 20% over 2020, taking the demand higher than the pre-pandemic level of 103 MnT, driven by strong infrastructure spending and sustained demand of automotive and consumer durables.

Steel industry and its associated mining and metallurgy sectors have seen major investments and revival of stressed assets. Major private players are lining up huge expansion /improvement activities. Apart from the private sector, huge investment by the Government has also been lined up mainly in the form of development of infrastructure facilities. The government has also announced various measures to make Indian steel industry self-reliant and to make them competitive at the world level.

As per Indian Steel Association (ISA), steel demand is expected to grow by 7.2% in 2020-21. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. However, the structural changes, in the post pandemic world, will bring about shifts in steel demand shape. The steel industry will see exciting opportunities from rapid developments through digitization and automation, infrastructure initiatives, reorganization of urban centres, and energy transformation, all at the same time as the industry has to respond to the need to produce low-carbon steel. The production and export restrictions by China offer huge export market for India.

However, in the coming years, for most developed economies a return to the pre-pandemic levels of steel demand will take a few years. While it is hoped that the worst of the pandemic is passing, there is still considerable uncertainty for the rest of 2021. The evolution of the virus and progress of vaccinations, withdrawal of supportive fiscal and monetary policies, geopolitics and trade tensions could all affect the recovery envisaged in this forecast.

Iron Ore

The COVID-19 induced lockdown resulted in tight supply of iron ore. Global iron ore production slid 2% in 2020 to 2.4 bn tonnes. Declines from Brazil and India were major contributors to the reduced output in 2020. The reduced output from the iron ore giant, Vale was the key factor behind Brazil's reduced output while delays in the auctioning of mines in Odisha affected India's output in 2020.

Iron ore production fell sharply by almost 44 million tonne (MT) to 202 MT in 2020-21 vis-a-vis 246 MT in the previous year. However, the country's exports increased by 62 per cent to 60 MT against 37 MT. It created an overall short supply of around 70 MT after adjusting incremental exports and drop in production.

Spike in iron ore export, largely to China, has made the lives of Indian downstream steel makers miserable. Though global steel prices have been high in the first four months of this year, producers are struggling for supply as there is a huge shortage of iron ore. In the first four months (January-April), iron ore exports from India increased by 66 per cent to 22.42 million tonne (MT). About 90 per cent of the export goes to China. The country, which is the world's largest steel producer, imported 20.28 MT of iron ore from India in the first four months compared to 12.24 MT in the same period last year.

Management Discussion and Analysis

Global iron ore production is expected to increase by 111.3 Mt to 2,302.5 Mt in 2021 with all major producers like Rio Tinto, BHP, FMG and Vale, increasing their production guidance. Global production over the forecast period (2021-2025) is expected to grow at a CAGR of 3.7% to 2,663.4 Mt in 2025. The key contributors to this growth will be Brazil (6.2%), South Africa (4.1%), Australia (3.2%) and India (2.9%).

Because of huge volumes of iron ore exports, Indian companies are not able to evacuate their share of raw material from eastern India, especially Odisha, the major iron ore exporting state. Steelmakers in India, the world's fourth largest iron ore producer, have pressurized authorities to implement export duty, as surging input costs and scarce domestic supply has hit their margins.

According to Australia's commodity research unit ABARE, iron ore prices will likely ease to \$80 a tonne by the end of the year and further to \$75 in 2022. Global iron ore production is set to recover by 5.1% in 2021 as output bounces back following the impacts of the COVID-19 pandemic last year.

Corona virus pandemic resulted in low demand for pellet which forced for lower capacity utilization in first quarter. However, as things improved the demand picked again. Subdued domestic demand in Q1 amid pandemic kept exports active. Indian pellet export prices increased on active Chinese buying & preference to high grade ore. Indian pellet prices strengthened on higher iron ore prices and tighter ore availability.

The Company has ensured uninterrupted supply of this key raw material through its fully operational captive iron ore mine in Chhattisgarh which operated smoothly during the year under review. During the year, the Company received 3.41 lakh Mts of iron ore from its own mines. The Company also procures iron ore from NMDC and Odisha to meet balance requirements of ore. The Company also has pellet manufacturing capacity of 8 lakh tonnes per annum.

Coal/ Power

Lower electricity demand owing to COVID 19 restrictions and the resulting economic downturn resulted in decline in Global coal demand by 4% in 2020. Lower gas prices saw significant fuel switching away from coal, particularly in the United States and the European Union, where coal use for power fell 20% and 21%, respectively. Overall, declines in the power sector accounted for over 40% of lower global demand in 2020. COVID-19 pandemic saw India's coal production at 337.52 million tonnes, declining 3.3 percent from 2019-20 levels.

Recovery in economic activity in 2021, has reversed the 2020's decline in coal demand, with a 4.5% increase pushing global coal demand above 2019 levels. The power sector accounted for just over 40% of the drop in coal use in 2020, but the rapid increase in coal-fired generation in Asia sees it account for three-quarters of the rebound in 2021. Gas prices are also expected to rise in 2021, leading to some switching back to coal.

In 2021, India, which, reported 0.7% growth in 2020, is expected to deliver 9% growth in output to reach 827.8 Mt in 2021. The commercial auction of coal mines in India will be a key production booster for the world's second-largest coal producer. In early 2020, the Indian Government gave clearance to begin operations for 10 coal projects. Further auctions are lined up.

India is the third largest producer and second largest consumer of electricity in the world with an installed power capacity of 377.26 GW as of January 2021. Electricity production reached 1,252.61 billion units (BU) in FY20. Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to install 227 GW of renewable energy capacity by FY22. In June 2019, the Government launched US\$ 5 billion of transmission-line tenders in phases with a target of 175 GW by 2022.

In FY20, total thermal installed capacity in the country stood at 231.32 GW. Renewable, hydro and nuclear energy installed capacity totalled 89.22 GW, 45.69 GW and 6.78 GW, respectively. The Government plans to double the share of installed electricity generation capacity of renewable energy to 40% by 2030. India has also raised the solar power generation capacity addition target by five times to 114 GW by 2022. The Government is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022.

The Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritizing transparency, ease

Management Discussion and Analysis

of doing business and ensuring the use of natural resources for national development. India aims to reduce emissions intensity of its gross domestic product (GDP) by 33% to 35% by 2030 from 2005 levels and increase the share of non-fossil fuels to 40% of the total electricity generation capacity.

At SEML, we are ready to contribute our share in the non-fossil fuels through the hydro power ventures which are operational / being installed through subsidiaries / controlled entities. As of the date, the Company, through its subsidiaries/controlled entities is operating hydro power plan of 141.8 MWs.

Ferro Alloys

The global ferroalloys market size was estimated at USD 44.9 billion in 2019 and is expected to grow a compound annual growth rate (CAGR) of 5.5% from 2020 to 2027. The increasing steel production around the globe is the prominent factor driving market growth. Ferroalloys impart special characteristics to steel and accordingly they represent significant raw materials to the iron and steel industry. China emerged as the leading player in the global market producing more than 50% of the total world steel. As a result, there is a massive demand for ferroalloys in China.

The global market is highly fragmented with China and India being the leading producers of the product. The supply dynamics of ferroalloys are hugely dependent on the type of product. For instance, South Africa and China lead in ferrochrome production, while India along with China is at the forefront in terms of Ferro-silico manganese production. The industry is leaning toward consolidation, with small businesses being acquired by large producers.

Prices for most ferro-alloys maintained their upward momentum reflecting the improved demand from steelmakers, the rebuilding of depleted inventories, and the supply-side concerns following both planned and unplanned outages. More scope for increased steel production and steel product prices were expected through 2021, particularly if an effective COVID-19 vaccine becomes widely available. Europe's and USA's huge financial stimulus package is also scheduled to be ratified and released by mid-2021, which should boost metals demand on a raft of expected infrastructure projects in the region.

The FY 21 initially saw dip in prices of silico Manganese because of the Pandemic and remained flat till November. Thereafter because of the disruption in supplies from Ukraine/Malaysia and huge demand in India from producers of steel, there was huge shortage of material which triggered the prices up to historical highs.

Opportunities and Threats

Opportunities

The catastrophic year 2020 after creating one of the greatest challenges of the century came to an end reversing the hopelessness with lots of positivity. The feel-good period, however, appears short-lived as the second wave of the pandemic ravaged some parts of the country and threatens to spread at a supersonic speed in the remaining states of the country. Speed in vaccination covering the vulnerable sections, while maintaining all possible mandatory precautions against the disease remains the only solution left to fight the menace.

All major steel producing countries have been projected to consume more steel in 2021. It is expected that the developed countries, where steel consumption was set to reach a near plateau level, would together demand 8.2% more steel in 2021, while emerging economies excluding China is likely to clock a growth of 10.2% in steel demand.

The construction sector, which includes both infrastructure and real estate, contributes about 62 per cent of the total steel demand. Both these sub-segments are witnessing demand revival, which is expected to become stronger in 2021, especially as the government loosens its purse strings and spends more on infrastructure projects. The automobile sector contributes nine per cent while the consumer durables segment's contribution is six per cent. While the second half of the year is expected to see growth tapering a bit, there will be healthy demand in steel-using industries which will bring in good tidings for the Indian steel sector.

Steel exports by India reached a record level of 17.4 MT in FY21 which exceeds last year's level by as high as 55.5%. Vietnam has received maximum Indian steel exports, followed by China (semis export), Italy, the UAE and Nepal. India has become a net exporter by a big margin as total steel imports at 5.04 MT is 29.6% lower compared to last year.

The key factors which will contribute the boost in steel demand are as follows:

- Government's focus on strengthening the domestic manufacturing base under the "Atmanirbhar Bharat" programme.

Management Discussion and Analysis

The Production Linked Incentive scheme has been introduced to boost the manufacturing sector in industries including special steel. These are expected to boost steel consumption.

- Government has announced an investment of over ₹1 trillion in infrastructure over the next 5 years. This would be a key growth driver not only for steel industry but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and infrastructure.
- Emergence of new trends after COVID-19 such as work from home, preference to physical distancing would create additional demand for furniture, personal mobility, etc. In addition, the rise in e-commerce activity will support the growth of warehousing and light commercial vehicles.

Threats

The Indian steel industry has been facing tough times in running their operations as well as has witnessed a sharp plunge in demand for steel due to corona virus pandemic. Adverse market conditions, rising iron ore prices, forced steelmakers to cut down their operations. There was a shortage of manpower as many workers migrated to their native places amid the lockdown as well as limitations on the number of staff working at an office or site after gradual unlocking.

The situation has not yet normalized and still there are concerns on availability of labour, success of vaccination drive, efficient combat with the second/third wave of pandemic and other related factors.

The growth in the steel and ferro alloys industry is threatened by:

- Resurgence of infections leading to fresh lockdowns, localized as well as regional / national level resulting in disruption in economic activity.
- Substantial increase in coal / coke prices and sea borne freight rates resulting into increased cost of production / delivery.
- Heavy dependence of agriculture sector on monsoon. In last 2 years, a normal monsoon has supported the growth in agriculture sector.
- Slower recovery in contact-based services, which is an integral part of Indian economy and affects lives & livelihood of service sector.

Outlook

The outlook is expected to be positive because of accelerating rollout of COVID-19 vaccines in many advanced economies coupled with the unprecedented fiscal stimulus provided by the governments across the world. These stimulus packages are expected to spur growth in these nation's respective infrastructure sectors, boosting steel demand. Steel demand in key emerging economies (like India, Turkey) and Europe is expected to witness double digit recovery while Asia and Middle East are likely to grow by 5%. The traditional demand driving sector for steel continues to be construction, which with the help of infra stimulus that have been announced by almost all the countries to prop up their economies immediately after the pandemic, would play a stellar role in strengthening steel demand. The demand for logistic-related facilities to support e-commerce, along with green recovery programmes and infra renewals would play their part.

While it is expected that steel prices will consolidate closer to historical levels, prices are likely to remain high supported by (i) strong iron ore prices, (ii) rebound in coking coal prices, (iii) positive impact from stimulus plans, and (iv) improved business confidence from the roll-out of vaccines. Strong rebound of demand in 2021, in addition to supply-side reforms in China could lead to higher steel prices globally. Political and geopolitical developments, such as reduction in government stimulus programmes, policies to cut emissions and trade wars, could increase pressure on the steel sector.

India suffered severely from an extended period of severe lockdown, which brought most industrial and construction activities to a standstill. However, the economy has been recovering strongly since August, much sharper than expected, with the resumption of government projects and pent-up consumption demand. As per Indian Steel Association (ISA), a strong rebound is foreseen in steel demand in 2021. It is expected that the steel demand shall increase by around 22 per cent to touch the 100 million tonne mark once again. The growth-oriented government agenda will drive India's steel demand up, while private investment will take longer to recover. Further, if the iron mines which were auctioned last year start production, we may see some easing up of supply and prices. The pellet production is also expected to go up, due to expected shortage of iron ore lump.

Management Discussion and Analysis

The prices of Silico Manganese have reached all-time high. For 65/16 grade material, the prices reached USD 1575 FOB and are constant at that point because of the Chinese producers whose material have become viable despite 20% export duty on their material. It is very likely that due to the supply disruptions in Malaysia/Ukraine in the H-1 in the current year, the prices will remain high and thereafter, we may see some downward correction.

The Indian steel industry needs to enhance intensity in segments like capital goods, construction machinery, electrical machinery, and mining equipment by making available standard designs in steel that can be immediately implemented. The penchant for Atmanirbhar Bharat and renewable energy would lead to higher demand for indigenous manufacturing of steel contained engineering goods by replacing imports.

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. The near-term outlook remains highly uncertain, and different growth outcomes are still possible. A downside scenario in which infections continue to rise and the rollout of a vaccine is delayed could limit the global expansion to 1.6% in 2021. Meanwhile, in an upside scenario with successful pandemic control and a faster vaccination process, global growth could accelerate to nearly 5 percent.

Risks and Concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorize and prioritize operational, financial and strategic business risks. The Company has formed a Risk Management Committee which has the mandate of identifying the risks and suggesting the ways to mitigate them. The Company spends significant time, effort and human resources to manage and mitigate identified risks.

The Company has identified its risk parameters and planned out mitigation measures to sustain its operations. Some of these include:

Risk	Risk-mitigating factors
Economic/Industrial risk -Cyclical nature of business -Unforeseen demand upsurge	-Captive mineral resource -Captive power -Fully integrated process -Proximity to market -Diversification in hydro power providing consistent cash flows -Low leveraging -Customer loyalty
Environmental risk -Discharge of pollutants -Compliances	-Adequately equipped with pollution-control devices to observe norms -Regular upgradation and maintenance of the equipment to avoid discharge of pollutants in the environment -Focus on full waste utilization through waste to wealth programme
Financial risk -Availability of funds for capex and business operations	-Low debt gearing ratio and efficient financial management. Creating cushion for contingencies
Currency fluctuation -Unfavourable rupee/foreign currency movement	-Substantial amount of import, export and financial assets in foreign currency providing natural hedge -Regular review of exposure at highest level -Forward contracts and bookings
Input risk -Procurement of raw materials at the right cost and in the right time.	-Captive mineral resource-Integrated business model makes it possible for the end product of one business to be positioned as the raw material of another - Long term coal linkage and acquisition of coal mine. -Creation of a self-feeding ecosystem, costing and logistic issues

Management Discussion and Analysis

Regulatory risk	-Compliance with the ever-changing applicable statutes and guidelines, rules and regulations	-Complies with all applicable statutory requirements and has systems in place to ensure compliance with the regulatory changes, if any
Safety risk	-Healthy and safe working of workmen	-Regular health check-ups -Regular safety audit by independent team and compliance review, preventive maintenance of Machines and equipment to avoid any unforeseen accidents -Adequate arrangements of fire station and dispensaries to address emergency situations
Human resources	-Retaining talent at various levels is a challenge	-Ample opportunity of growth and development of individual -Safety and security, motivation, performance linked remuneration in line with market -Sharing growth through ESOP

Internal Control System and Their Adequacy

The Company has in place an adequate system of internal control commensurate with its size and nature of business. The system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company has a business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

The Company has availed the services of independent professional firm for Internal Audit, which checks the effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of the Company's risk management, control and governance processes. The scope and authority of the Internal Audit activity are approved by the Audit Committee. Internal Auditor reports directly to the Audit Committee of Board. Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. The Audit Committee also seeks the views/opinions of statutory auditors on the adequacy of the internal control systems in the Company. Minutes of the Audit Committee are put up to the Board of Directors.

The Company's Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of the Company and recommends the same to Board for its approval. The Committee also reviews the performance of the subsidiaries/controlled entities.

Product-wise Performance

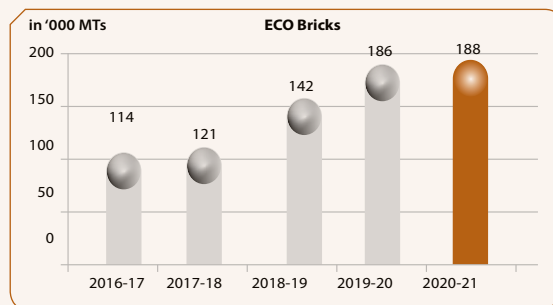
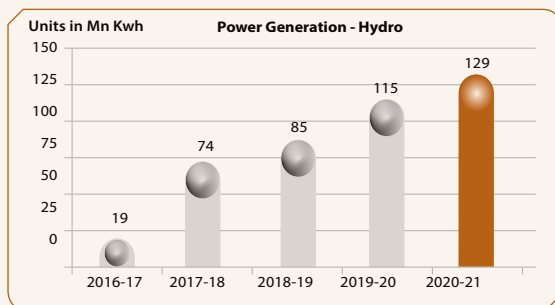
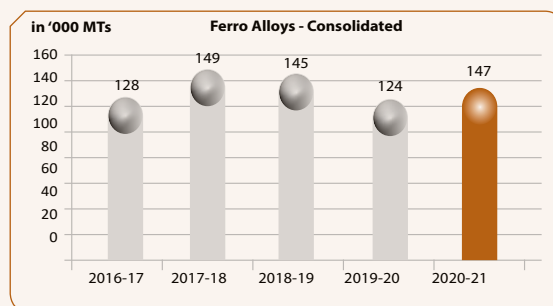
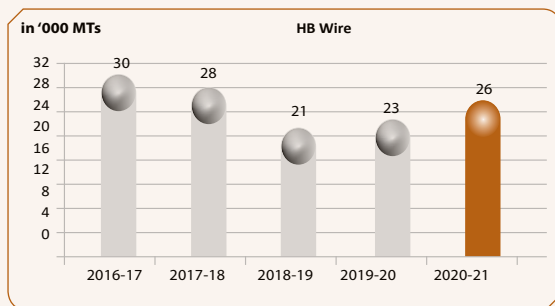
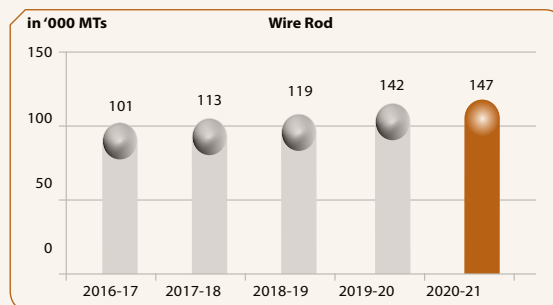
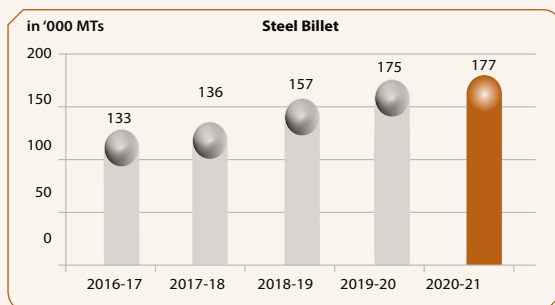
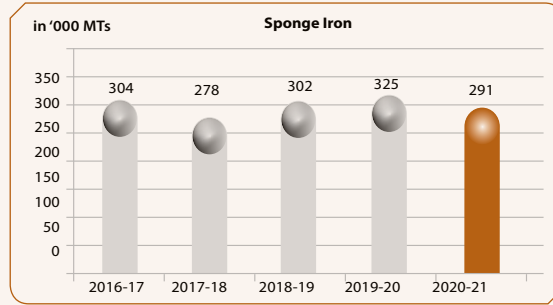
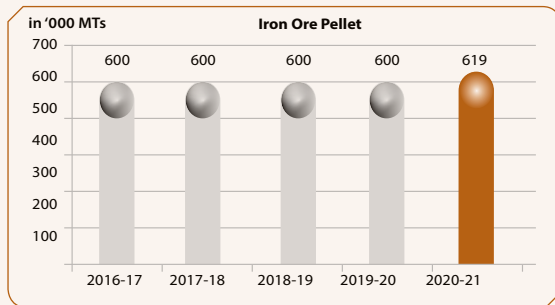
During the year under review, the operations were near normal with the Company achieving increased production of pellet, billet, wire rod, HB wire and ferro alloys. Production of sponge iron was lower due to delayed restart in lockdown and change of raw material mix by using more captive iron ore. Power generation was also lower due to shut down of one turbine for repairs for more than three months. Iron ore mining went down due to increase in overburden removal.

During the year, the Company received all required permissions to increase pellet production upto 8 lakhs tonnes per annum. The permission was received almost near the end of the financial year and accordingly, the full effect of the increase in capacity shall be visible in the current year 2021-22.

The consolidated product wise performance matrix for the year 2020-21 is summarized hereunder:

Product	Production (MTs)		Sales (MTs)		Captive consumption (MTs)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Pellet	6,19,055	5,99,990	4,26,118	3,12,784	1,80,670	2,78,407
Sponge Iron	2,91,282	3,24,511	1,30,773	1,60,977	1,61,573	1,62,866
Steel Billet	1,76,630	1,75,466	25,628	30,202	1,51,360	1,46,479
Wire Rod	1,46,950	1,41,945	1,21,214	1,18,190	26,812	23,585
HB Wire	26,282	22,942	27,179	22,250	-	-
Ferro Alloys	1,32,391	1,24,191	1,35,134	1,22,505	2,683	2,603
Power (Mn Kwh)	1,093	1,113	233	257	812	782
Iron Ore	2,63,554	3,48,231	-	-	3,41,435	4,24,606

Management Discussion and Analysis



Management Discussion and Analysis

Financial Performance vis a vis Operational Performance as per standalone financials

Ratio	2020-21	2019-20	% Change	Reason
Debtors' turnover (no. of days)	16	13	(23.08)	-
Inventory turnover (no. of days)	93	67	(38.81)	Increase in stock of raw materials to insulate against increasing prices
Interest coverage ratio	15.73	9.27	69.69	Increase in profit
Current ratio	3.71	2.84	30.63	Improved liquidity on back of improved profitability
Debt equity ratio	0.13	0.16	18.75	Repayment of term loans
Operating profit margin (%)	12.58%	11.80%	6.61	Strict cost control and improved sales realizations
Net profit margin (%)	18.59%	15.07%	23.36	
Return on net worth (%)	14.10%	10.53%	33.90	

Turnover

During 2020-21, the Company achieved a turnover of ₹ 1,594.96 crore on standalone basis as against ₹ 1,423.91 crore in the previous year. At the consolidated levels, the turnover in 2020-21 stood at ₹ 2,198.81 crore as against ₹ 2,000.15 crore in the previous year. The turnover was higher due to increase in selling prices coupled with increase in volume.

Breakup of revenue (% Product wise)

Product	₹ in crore)			
	2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated
Ferro Alloys	20.83	38.93	25.47	40.16
Steel – billets, wire rods and HB wire	38.85	28.18	38.49	27.40
Sponge Iron	14.55	10.56	18.75	13.35
Pellet	20.86	15.13	14.11	10.05
Power	0.11	3.57	0.17	4.57
Others (including eco bricks and trading)	4.80	3.63	3.01	4.47
Total	100.00	100.00	100.00	100.00

Breakup of consolidated revenue (Entity wise)

Ratio	₹ in crore)		
	2020-21	2019-20	Reason
Sarda Energy & Minerals Limited	1,566.02	1,409.53	Steel, Ferro alloys & Thermal Power
Sarda Metals & Alloys Limited	554.43	531.00	Ferro Alloys & Thermal Power
Parvatiya Power Limited	8.17	8.91	Hydro Power
Chhattisgarh Hydro Power LLP	56.02	46.12	Hydro Power
Sarda Energy Limited	14.17	4.59	Share of profit from LLP
Total	2,198.81	2,000.15	

Exports

During 2020-21, ferro alloys exports stood at 49,031 MTs as against 48,796 MTs in the previous year. Export markets for ferro alloys are catered mainly from Sarda Metals' plant located near the port. Standalone ferro alloys exports of the Company stood at 1,456 MT (PY 7,131 MT).

	2020-21	2019-20	Reason(s) for change
Finance cost			
Standalone	34.39	35.70	Reduced due to repayment of loans and lower utilization of working capital limits
Consolidated	79.10	82.48	
Depreciation			
Standalone	48.16	51.35	No material change. Change in the normal course
Consolidated	75.05	77.92	

Management Discussion and Analysis

(₹ in crore)

	2020-21	2019-20	Reason(s) for change
Other Expenses			
Standalone	181.65	195.45	Reduction in carriage outward and foreign exchange difference to the extent compensated by increase in power purchase from wholly owned subsidiary
Consolidated	243.49	263.49	Reduction in foreign exchange difference
Exceptional Items			
Standalone	14.52	-	Impairment loss on discarding of capital work-in-progress
Consolidated	14.52	-	
Profitability			
EBIDTA - Standalone	464.54	300.87	Increase in sales volume and increase in realizations
Consolidated	660.06	332.20	Standalone profit included profit share from LLP of ₹18.08 crore which gets nullified in the consolidated results
PBT – Standalone	381.89	213.82	
Consolidated	491.39	171.80	Increase in consolidated profit is due to higher contribution by WOS
PAT – Standalone	296.54	182.31	
Consolidated	376.42	128.45	
Non-Current Assets			
	2020-21	2019-20	Reason(s) for change
Property Plant & Equipment			
Standalone	Gross – 814.83 Net – 528.09	Gross – 785.32 Net – 542.90	Normal capex
Consolidated	Gross –1,689.13 Net – 1,256.20	Gross –1,655.77 Net – 1,292.49	
Capital work-in-progress			
Standalone	65.68	34.66	Increase mainly on account of deposit given to Ministry of Coal, Govt. of India for Gare Palma IV/7 and Sahapur West coal mines
Consolidated	1,619.41	1,373.76	Increase mainly on account of hydro project of Madhya Bharat Power Corporation Limited commissioned in June 2021
Investments			
Standalone	820.35	806.76	Increase due to fresh investments in Sarda global Venture Pte. Limited and Chhattisgarh Hydro Power LLP on account of share of profit
Consolidated	51.39	51.68	No material change
Other financial assets			
Standalone	1.52	2.03	Reduction on account of reduction in amount given as security deposits
Consolidated	1.80	2.97	
Other non-current assets			
Standalone	32.16	17.81	Increase in adjustable advances given for coal mines
Consolidated	62.02	46.49	

Management Discussion and Analysis

(₹ in crore)

Current assets

	2020-21	2019-20	Reason(s) for change
Inventories			
Standalone	439.36	369.68	Increase in stock of raw materials on account of market conditions
Consolidated	578.96	500.76	Increase in stock of raw materials and stores and spares
Investments			
Standalone	92.23	41.90	Increased due to mark-to-market gain on marketable equity investments
Consolidated	214.76	139.18	Increase due to mark-to-market gain and investments made by subsidiaries
Trade receivables			
Standalone	78.09	62.20	Increase due to increase in sales volume
Consolidated	138.24	123.89	
Bank and Cash Balances			
Standalone	3.41	3.95	No material change
Consolidated	97.58	164.64	Decreased due to redemption of mutual funds by Madhya Bharat Power Corporation Limited
Loans and advances			
Standalone	393.50	408.97	Reduction in loans to subsidiaries and related entities
Consolidated	307.65	259.54	Increased due to loans to related entities
Other current assets			
Standalone	135.56	90.11	Increase in advance to vendors for iron ore and pet coke and adjustable advances given for Gare Palma IV/7 coal mine
Consolidated	162.33	114.95	

Share Capital

There was no change in the equity share capital in the year 2020-21.

Non-current Liabilities

	2020-21	2019-20	Reason(s) for change
Borrowings			
Standalone	218.12	259.07	Reduction due to repayment of loans and higher current maturities during next one year
Consolidated	1,492.62	1,408.34	Increase due to fresh borrowings in Madhya Bharat Power Corporation Limited

All the loans and the interest payment commitments were met on time.

CRISIL has retained the long-term rating of the Company at CRISIL A+ for long term credit facilities and CRISIL A1 for short term credit facilities.

	2020-21	2019-20	Reason(s) for change
Other long-term liabilities			
Standalone	2.93	2.16	Increase in security deposit from vendors
Consolidated	7.83	27.56	Reduction in security deposit from vendors
Provisions			
Standalone	2.42	2.50	No material change
Consolidated	9.07	8.91	

Current liabilities

	2020-21	2019-20	Reason(s) for change
Short term borrowings			
Standalone	10.67	106.25	Lower utilization of working capital limits on account of sufficient liquidity

Management Discussion and Analysis

(₹ in crore)

	2020-21	2019-20	Reason(s) for change
Consolidated	108.29	215.42	In addition to above, repayment of loans by subsidiaries
Trade payables			
Standalone	164.67	137.47	Increased purchase of iron ore from NMDC against LC
Consolidated	205.35	213.66	No material change
	2020-21	2019-20	Reason(s) for change
Other financial liabilities			
Standalone	100.81	83.08	Increase due to increase in current maturities of long-term debt
Consolidated	250.62	169.51	Apart from standalone, increase is due to increase in retention money from contractors in Madhya Bharat Power Corporation Limited
Other current liabilities			
Standalone	22.97	10.68	Increase in indirect taxes payable and advance from customers
Consolidated	28.15	19.21	
Provisions			
Standalone	5.13	6.57	Reduction in provision for gratuity and expenses
Consolidated	6.09	7.46	

Material Developments in Human Resource/Industrial Relations

COVID-19 pandemic has resulted in the Digital revolution, new disruptive markets and high volatility which are accelerating the rate of transformation in the working environment. To remain successful at this quickening pace, we feel that efficient management of Human Resources has achieved a much significant place in safeguarding productivity and business continuity, especially in the context of the current COVID-19 pandemic situation. This Pandemic has made us realized that it is high time to bring the human resources to centre stage. The pandemic has also proved that we must increase our competitive strength and innovation power and we must not forget the people in the process.

We lost 3 weeks of production in April 2020 because of pandemic. We counseled our staff & contract workers on maintaining social distancing, wearing masks, avoiding crowded areas (for them & their families) as precaution. These efforts helped in restoring the attendance quickly which helped us in achieving our production targets & improved profitability.

We are committed to ensuring that all employees are aware of their responsibilities and are engaged in and committed to improving standards of health and safety. The Company follows all COVID-19 guidelines issue by the administration strictly and without any relaxation. The Company had also followed shift attendance, compulsory temperature and oxygen level checking of all persons entering the office. The Company has minimized visits of guests to offices and wherever possible the work is done through virtual means.

We are aware of our duties and responsibilities towards the society and have formulated effective plans to undertake various social and environmental activities. The Company has taken proactive approach to support the war against COVID-19 pandemic. During Pandemic and troubled economic conditions due to extended lockdowns, our CSR team has played crucial role. We have extended required support/ facility/service to the needy and deserving sections of the society and have helped people sail out safely through the challenging times. We have distributed sanitizers/masks/ pulse oximeters and have extended support for medical support services. The Company has also extended support for vaccination activities. We have also undertaken mass sanitization in villages through our fire tenders. We have also supplied free food in villages, particularly during the lock down period when the people found it difficult to move out and arrange food for themselves and their families. The efforts are being continued as an ongoing process.

Our 8 Quality Circle teams have participated in CCQC-2020 (Chapter Convention on Quality Concepts) which was organized virtually. Out of 8 QC team, 7 QC Team have won "Gold Award" and 1 QC Team has received "Silver Award". In NCQC-2020 (National Convention on Quality Concepts), 7 QC Teams had participated, and all have won "Par Excellence Award" in the competition held through virtual means.

During the year, the Company has:

- continued to operate and maintain, Mobile Medical Van in mines area villages to strengthen community health services, benefitting 4,448 patients.
- Watershed development initiative through pond deepening in 2 villages and created & maintained rainwater harvesting structures.
- Organised Women's Empowerment Training to promote Income generation activities at village level with Central Board of Workers Education, benefitting 127 women across 3 villages.
- Initiated High Performance Team for the WRM Division employees for capacity enhancement of individuals and team.

As of 31st March 2021, the total number of employees stood at 1,210 as compared to 1,217 in the previous year.

Cautionary Statement

The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, tax laws, and other incidental factors.

Corporate Governance Report

1. Company's philosophy on Corporate Governance

Good Corporate Governance is essentially an integral part of values, ethics and the best business practices followed by the Company. The Company stresses upon the following core values:

- **Transparency:** We believe in dissemination of information on time and in transparent manner.
- **Protecting Stakeholders' interest:** As a trustee for various stakeholders, we believe in safeguarding and balancing the interest of all stake holders.
- **Integrity and ethics:** We believe in our commitments and strive to set high ethical standards.
- **Corporate and social responsibility:** We believe in caring for environment and surrounding communities.

The Company would constantly endeavor to improve these aspects.

2. Board of Directors

2.1 Composition

The Board of Directors comprises of eight directors, including two wholtime promoter directors, one wholtime professional director, and six (five w.e.f. 1st April 2021) independent directors. The independent directors are eminent professionals having rich and sound experience in diverse fields related to the business of the Company.

The names and categories of the directors on the board and other relevant information, as on 31st March, 2021, are as under:

Names of the Directors	Category	No. of other Directorships held*	Member/ Chairman of other Board committees [@]	No. of shares held in the Company
Mr. Kamal Kishore Sarda [^]	Promoter/ Executive	5	-	5,64,518
Mr. Pankaj Sarda [^]	Promoter/ Executive	11	4	6,91,107
Mr. Padam Kumar Jain	Professional/Wholtime	4	-	10,073
Mr. Asit Kumar Basu	Independent	3	5	4,000
Mr. Chittur Krishnan Lakshminarayanan	Independent	3	3	8,000
Mr. Gajinder Singh Sahni [#]	Independent	7 ^{\$}	2	3,500
Mr. Jitender Balakrishnan	Independent	6	5	1,667
Mr. Rakesh Mehra	Independent	1	1	10,637
Ms. Tripti Sinha	Additional –Independent	-	-	NIL

* Including private limited companies / excluding directorships in foreign companies and the Company.

@ Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Companies (including the Company) have been considered.

Retired w.e.f. 1st April, 2021.

\$ Including one company under strike-off.

^ Except Mr. K.K. Sarda and Mr. Pankaj Sarda, no other director is related to any one in any manner. Mr. K. K. Sarda is father of Mr. Pankaj Sarda.

2.2 Board Meetings

The members of the Board are provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings. Seven meetings of the Board of Directors were held during the year ended 31st March, 2021 as given hereunder:

i) 20th June, 2020	ii) 8th August, 2020	iii) 21st September, 2020
iv) 7th November, 2020	v) 13th January, 2021	vi) 13th February, 2021
vii) 30th March, 2021		

Corporate Governance Report

The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2021 and at the last Annual General Meeting is as under :

Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. Kamal Kishore Sarda	7	Yes
Mr. Pankaj Sarda	6	Yes
Mr. Padam Kumar Jain	7	Yes
Mr. Asit Kumar Basu	7	Yes
Mr. Chittur Krishnan Lakshminarayanan	7	Yes
Mr. Gajinder Singh Sahni [#]	7	Yes
Mr. Jitender Balakrishnan	7	Yes
Mr. Rakesh Mehra	7	Yes
Ms. Tripti Sinha ^{\$}	4	NA
Mrs. Uma Sarda [@]	3	Yes

Retired, w.e.f. 1st April, 2021

\$ Appointed w.e.f. 20th October, 2020

@ Resigned w.e.f. 6th November, 2020

2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31st March, 2021):

S. No.	Name	Name of the Company	Designation
1	Mr. Kamal Kishore Sarda	Chhatisgarh Investments Limited	Chairman
2	Mr. Pankaj Sarda	NIL	NA
3	Mr. Padam Kumar Jain	NIL	NA
4	Mr. Asit Kumar Basu	Chhatisgarh Investments Limited	Independent Director
5	Mr. Gajinder Singh Sahni [#]	NIL	NA
6	Mr. Chittur Krishnan Lakshminarayanan	NIL	NA
7	Mr. Jitender Balakrishnan	India Glycols Limited Polyplex Corporation Limited	Independent Director Independent Director
8	Mr. Rakesh Mehra	NIL	NA
9	Mrs. Tripti Sinha [@]	NIL	NA

Retired w.e.f. 1st April, 2021

@ Joined w.e.f. 20th October, 2020

2.4 List of Core Skills / Expertise / Competencies of directors

Your Company is engaged in Metal, mining and Power Sector. It is having an integrated steel manufacturing unit with facilities, ferro alloys backed by captive thermal power plant. The Company also operates in the hydropower sector through SPVs.

A chart setting out the list of core skills / expertise / competencies as identified by the Board of Directors as required in the context of its business and sector(s) for it to function effectively and those available with the Board are as follows :

S. No.	Name of Director	Qualification & Experience	Expertise
1	Mr. Kamal Kishore Sarda	B.E. (Mech.) Nearly 45 years of experience	Iron & Steel, Mining, Strategic Planning
2	Mr. Pankaj Sarda	MS in Industrial Administration Nearly 18 years of experience	Strategic Planning, Production, Operations, General Management
3	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 35 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
4	Mr. Asit Kumar Basu	BME Nearly 43 years of experience	Finance, Internal financial controls

Corporate Governance Report

S. No.	Name of Director	Qualification & Experience	Expertise
5	Mr. Chittur Krishnan Lakshminarayanan	B. Tech Nearly 46 years of experience	Power Sector, Finance, Capital markets
6	Mr. Jitender Balakrishnan	B.E. (Mech.), PGDM in Industrial Management Nearly 43 years of experience	Power, Steel, Oil & Gas, Corporate Governance, Risk Assessment
7	Mr. Rakesh Mehra	FCWA Nearly 37 years of experience	Finance, Costing & Management Accounting
8	Ms. Tripti Sinha	B.E. (Electricals) Nearly 41 years of experience	Power

2.5 Independent Directors

The Company's Independent Directors met once during the year without the presence of the management. Independent Directors discussed matters pertaining to the Company's affairs and shared their views/suggestions with Chairman & Managing Director and with the Board of Directors.

During the year, various familiarization programmes were conducted for the Independent Directors. The details of the same are available at – <https://seml.co.in/Corporate%20Governance/Familiarization%20Programmes.pdf> – on the website of the Company.

The Board of Directors confirm that in the opinion of the Board, all Independent Directors are independent of the management of the Company and have given declarations as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the eligibility criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

2.6 Code of Conduct

The Company has in place a comprehensive Code of Conduct (the Code) applicable to the Senior Executives and the Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as maybe applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website (www.seml.co.in). The Code has been circulated to Directors and Senior Executives and its compliance is affirmed by them annually. A declaration signed by the Chairman & Managing Director is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and Senior Executives in respect of the financial year 2020-21.

K. K. Sarda
Chairman & Managing Director"

2.7 Particulars of Directors seeking appointment/reappointment.

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 23rd September, 2021 are given as under:

1	Name	Mr. Padam Kumar Jain	Ms. Tripti Sinha
2	i) Age	58 years	62 years
	ii) Qualification	Chartered Accountant / Company Secretary	B.E. (Electricals) – Gold medalist - from Rani Durgawati University.
	iii) Date of appointment	01.06.2016	20.10.2020
3	Experience	Nearly 35 years of experience in Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws	Nearly 41 years of experience in state power sector
4	Terms & Conditions of re-appointment	Mr. Padam Kumar Jain is Wholetime Director, liable to retire by rotation & is also the CFO. Other terms and conditions as set out in the explanatory statement.	Ms. Tripti Sinha is Independent Women Director (Additional) on the Board. Necessary resolution for her appointment is being taken up in the ensuing AGM.

Corporate Governance Report

5	Remuneration last drawn (including sitting fees, if any) (per annum)	₹ 58.89 lakh (F.Y. 2020-21)	₹ 3.80 lakh (F.Y. 2020-21), as sitting fees & commission
6	Remuneration / Sitting Fees proposed to be paid per month	As set out in the explanatory statement.	As per the terms of remuneration for non-executive directors approved by the members at the 41st AGM.
7	Other Directorships	Madhya Bharat Power Corporation Limited Sarda Dairy & Food Products Limited Sarda Power & Steel Limited Geschaft Formulae India Private Limited	---
8	Chairman/ Member of Committees	Sarda Energy & Minerals Limited- Risk Management Committee – Member	Sarda Energy & Minerals Limited- Risk Management Committee – Chairperson
9	Shareholding in the Company	10,073 Equity shares	NIL
10	No. of Board Meetings attended/held during Financial Year 2020-21	7/7	4/4 (since her joining)
11	Relationship with Directors	No relationship	No relationship

3. Committees of the Board

3.1 The details of the Board Committees and other related information are provided hereunder:

Audit Committee	Nomination & Remuneration Committee
Mr. Asit Kumar Basu (Chairman)	Mr. Gajinder Singh Sahni (Chairman till 31st March, 2021)
Mr. Chittur Krishnan Lakshminarayanan	Mr. Jinder Balakrishnan (Chairman w.e.f. 1st April, 2021)
Mr. Rakesh Mehra	Mr. Asit Kumar Basu
Mr. Pankaj Sarda	Mr. Chittur Krishnan Lakshminarayanan
	Mr. Kamal Kishore Sarda
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. Jitender Balakrishnan (Chairman)	Mr. Gajinder Singh Sahni (Chairman till 31st March, 2021)
Mr. Asit Kumar Basu	Mr. Rakesh Mehra (Chairman w.e.f. 1st April, 2021)
Mr. Pankaj Sarda	Mr. Kamal Kishore Sarda
	Mr. Pankaj Sarda
Risk Management Committee	
Mr. Kamal Kishore Sarda (Chairperson till 31st March, 2021)	
Ms. Tripti Sinha (Chairperson w.e.f. 1st April, 2021)	
Mr. Pankaj Sarda	
Mr. Padam Kumar Jain, WTD & CFO	
Mr. Sanjeev Agrawal	

Mr. Manish Sethi, Company Secretary, acts as the Secretary to all the Board Committees.

3.2 Meetings of the Board Committees and attendance of Directors at the meetings

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Meetings held	4	3	2	2	1
Attendance:					
Mr. Kamal Kishore Sarda	NA	2	NA	2	1
Mr. Pankaj Sarda	4	NA	2	2	1
Mrs. Uma Sarda®	NA	NA	NA	NA	NA

Corporate Governance Report

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Padam Kumar Jain	NA	NA	NA	NA	1
Mr. Asit Kumar Basu	4	NA	2	NA	NA
Mr. Chittur Krishnan Lakshminarayanan	4	3	NA	NA	NA
Mr. Gajinder Singh Sahni [#]	NA	3	NA	2	NA
Mr. Jintender Balakrishnan	NA	3	2	NA	NA
Mr. Rakesh Mehra	4	NA	NA	NA	NA
Ms. Tripti Sinha ^{\$}	NA	NA	NA	NA	NA

@ Resigned w.e.f. 6th November, 2020

Retired, w.e.f. 1st April, 2021

\$ Appointed w.e.f. 20th October, 2020

3.3 Procedure at Committee Meetings

The procedure relating to Board meetings are applicable to Committee meetings as far as practicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist it in discharge of its duties/function(s). Minutes of the Committee meetings are circulated to the directors and placed at the Board meetings for noting.

3.4 Terms of Reference of Board Committees

Audit Committee

The terms of reference of the committee are as per the provisions of Section 177 of the Companies Act, 2013, read with the Listing Regulations.

As per the requirement/instructions of the Committee, representatives from various business units of the Company, Internal Auditors, Cost Auditors, Statutory Auditors, President/Plant Head and such other persons as the Committee may feel necessary, also attend the Audit Committee meeting(s) to respond to queries raised at the Committee meeting(s).

Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- devising a policy on diversity of board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- carrying out any other function as is mentioned in the terms of reference of the committee.

Performance Evaluation: The Company has laid down criteria for performance evaluation of the Board, Committees, Independent Directors and other Directors. The said criteria are given as Annexure B to the Director's Report.

Remuneration policy: The Company's Remuneration Policy is directed towards rewarding performance based on review of achievements at periodical intervals. The remuneration policy is in consonance with the existing industry practice. The Company's remuneration policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure C to the Directors' Report.

Corporate Governance Report

The Executive Directors have been paid remuneration as per terms of their appointment. The Non-Executive Directors have been paid sitting fees for meetings of the Board and/or Committees attended by them. Also, pursuant to the approval of members, Non-Executive Independent Directors have been paid Commission on the net profits of your Company for the year 2020-21.

Details of remuneration to Chairman & Managing Director and Wholetime Directors are as under: (₹ in lakh)

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Commission	Total	Stock Options granted*
Mr. Kamal Kishore Sarda	164.64	18.43	7.50	275.00	465.57	NIL
Mr. Pankaj Sarda	70.94	0.29	5.46	225.00	301.69	NIL
Mr. Padam Kumar Jain [#]	54.36	0.29	4.24	--	58.89	NIL

[#]Also holds the office of CFO

* No stock options were granted during the year.

Contract period: Mr. Kamal Kishore Sarda, Chairman & Managing Director – Five years from 1st April, 2020.

Mr. Pankaj sarda, Jt. Managing Director – Five years from 1st November, 2017. To retire by rotation.

Mr. Padam Kumar Jain, Wholetime Director & CFO – five years w.e.f. 1st June, 2021. Required shareholders' approval is being sought in the ensuing AGM.

Severance Fees: Compensation as per the provisions of the Companies Act, 2013

Note: The above amount does not include contribution to gratuity fund, as separate figures are not available for the Chairman & Managing Director and Wholetime Directors.

Details of remuneration to Non-Executive Directors are as under:

Name of the Director	Sitting fees	Commission	Total
Mr. Asit Kumar Basu	2.00	5.00	7.00
Mr. Chittur Krishnan Lakshminarayanan	2.00	5.00	7.00
Mr. Gajinder Singh Sahni [§]	1.80	5.00	6.80
Mr. Jitender Balakrishnan	1.80	5.00	6.80
Mr. Rakesh Mehra	1.80	5.00	6.80
Ms. Tripti Sinha [#]	0.80	3.00	3.80
Mrs. Uma Sarda [@]	0.60	2.00	2.60

[§] Retired w.e.f. 1st April 2021

[#] W.e.f. 20th October 2020

[@] resigned w.e.f. 6th November 2020

None of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of fees and commission received by them from the Company and its subsidiaries during the year.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for:

- Resolution of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Measures taken for effective exercise of voting rights by shareholders.
- Service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Company Secretary – Mr. Manish Sethi is the Compliance Officer.

Corporate Governance Report

The number of complaints received during the year : No complaints were received during the year. Requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were received which were attended promptly.

The number of complaints not solved to the satisfaction of shareholders : NIL

Number of pending complaints : No complaint was pending for redressal as on 31st March, 2021.

Corporate Social Responsibility Committee

The role of the Committee is to:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time.

Risk Management Committee

The Committee was non-mandatory for the Company during the year under review. The role of the Committee is to frame suitable risk management policy, subject to the approval of the Board of Directors and ensure its implementation.

4. General Body Meetings

The venue, date and time of the last three Annual General Meetings and the details of Special Resolutions passed thereat are as under:

Date	Time	Location	Special Resolution Passed
24th September, 2020	11.30 a.m.	The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office.	Special Resolutions to - Re-appoint Mr. Kamal Kishore Sarda as Chairman & Managing Director for five years w.e.f. 01.04.2020 - Issue NCDs upto an aggregate amount not exceeding ₹ 500 crore; - Issue equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1000 crore, were passed.
21st September, 2019	11.00 a.m.	Radisson Blu Hotel, 7 Wardha Road, Nagpur 440015	Special Resolutions to issue - NCDs upto an aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1000 crore, were passed.
21st September, 2018	11.00 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	Special Resolutions to issue - NCDs upto an aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1000 crore, were passed.

Special Resolution(s) passed through Postal Ballot

During 2020-21, no Special Resolution was passed through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

Corporate Governance Report

5. Means of communication

Quarterly, half-yearly and annual results are submitted to the stock exchange in accordance with the Listing Regulations and published in Indian Express (English) and Loksatta (vernacular) newspapers. The financial results and other relevant information are placed simultaneously on your Company's website - www.seml.co.in. No news releases were made to the institutional investors or to the analysts during the year. During the year, presentations have been made to the institutional investors/analysts which have been submitted to the Stock Exchanges and have also been uploaded on the Company's website.

6. General shareholder information

Annual General Meeting	Date:	23 rd September, 2021
	Time:	11.30 a.m.
	Venue:	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5th May, 2020 and SEBI Circular dated 12th May, 2020. The Registered Office shall be deemed to be the venue of AGM.
Financial calendar for 2021-22(tentative)	:	
Financial results for the quarters ended:		
30 th June, 2021	:	1 st week of August, 2021
30 th September, 2021	:	1 st week of November, 2021
31 st December, 2021	:	1 st week of February, 2022
31 st March, 2022	:	4 th week of May, 2022 (audited)
Annual General Meeting (for F.Y. 2021-2022)	:	September, 2022
Dividend payment date (for F.Y. 2020-21)	:	Within 5 days from 23 rd September, 2021

Listing on stock exchanges :

Equity shares

The equity shares of the Company are listed on the following exchanges:

- i) BSE Limited, Mumbai (504614)
- ii) The National Stock Exchange of India Limited, Mumbai (SARDAEN)
ISIN no. NSDL & CDSL - INE385C01013

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. The Company has paid annual listing fees to the BSE Limited and to The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2021-22.

Registrar and share transfer agents :

(for physical and electronic)

Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road
Marol, Andheri East, Mumbai - 400059 (M.H.)

Share transfer system :

In view of the SEBI circular, share transfers in physical have been stopped from 1st April, 2019. However, share transmission, name deletion and duplicate share issue activities are continuing for physical shares.

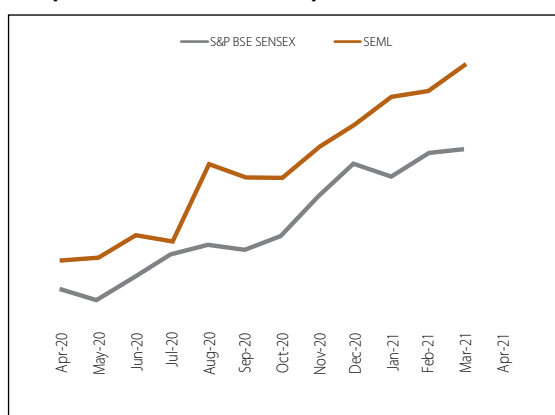
Since physical share transfers have been stopped, the member, in their own interest, are requested to get their shareholding dematerialized at an early date.

Corporate Governance Report

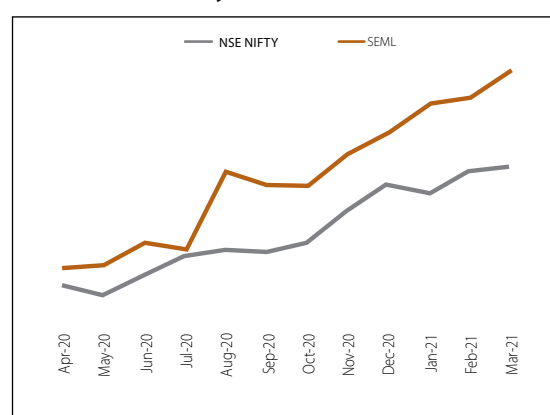
Market price data: High/low during the year 2020-21

Month	SEML price on the BSE (in ₹)		SEML price on the NSE (in ₹)	
	High	Low	High	Low
Apr, 2020	154.05	113.30	154.00	112.20
May, 2020	157.35	127.95	157.50	128.10
Jun, 2020	190.05	152.00	190.00	151.70
Jul, 2020	180.00	160.10	181.00	160.20
Aug, 2020	297.65	165.40	297.70	164.80
Sep, 2020	276.90	199.90	277.00	199.15
Oct, 2020	277.00	215.15	277.00	215.25
Nov, 2020	324.00	242.20	323.90	241.50
Dec, 2020	356.00	284.25	356.00	282.75
Jan, 2021	399.80	305.00	400.00	293.20
Feb, 2021	407.50	329.30	407.90	328.70
Mar, 2021	447.25	355.85	447.70	353.00

Comparison of SEML share price movements on BSE Sensex and NSE Nifty



Seml share price vs BSE Sensex



SEML share price vs Nifty

Shareholding pattern as on 31st March, 2021

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	2,61,34,360	72.50
2.	Banks/MFs /FIs/Ins.Cos. /NBFCs/AIFs	5,97,515	1.66
3.	Foreign Portfolio Investors	38,530	0.11
4.	Overseas Corporate Bodies	6,84,891	1.90
5.	Bodies Corporate	15,53,496	4.31
6.	Individuals NRIs	1,60,361	0.44
7.	Resident Individuals	62,32,720	17.29
8.	IEPF Authority	1,74,787	0.48
9.	Others	4,72,575	1.31
	TOTAL*	3,60,49,235	100.00

*There are no outstanding GDRs/ADRs/Warrants/Convertible instruments of the Company.

Corporate Governance Report

Distribution of shareholding as on 31st March, 2021

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	17,681	91.18	18,84,027	5.23
5,001 – 10,000	790	4.07	6,27,848	1.74
10,001 – 20,000	436	2.25	6,59,046	1.83
20,001 – 30,000	149	0.77	3,76,896	1.04
30,001 – 40,000	72	0.37	2,58,782	0.72
40,001 – 50,000	51	0.26	2,33,676	0.65
50,001 – 1,00,000	91	0.47	6,66,128	1.85
1,00,001 and above	121	0.63	3,13,42,832	86.94
Total	19,391	100	3,60,49,235	100

Dematerialization of securities : The Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on 31st March, 2021, out of the total 3,60,49,235 equity shares held by about 19,391 (PY 20,478) shareholders, 3,57,77,468 (PY 3,57,63,104) equity shares held by 17,027 (PY 17,961) shareholders representing 99.25% (PY 99.21%) of the total paid-up equity capital have been dematerialized.

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

7. Hedging of Risks

The Company has in place a Board approved policy which establishes the risk management framework and defines the procedures and controls for effective management of risk's faced by the Company. The Company is having exposure to foreign exchange fluctuation risk, however there is natural hedging partly available in terms of exports made by your Company and its subsidiaries and assets held in other currencies.

Currency hedging is guided by the hedging policy adopted by the Board.

In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, is material in the context of its overall operations, and in terms of the 'Policy on Determination of Materiality for Disclosures(s)', as approved by the Board. Accordingly, the disclosure requirements prescribed under the SEBI Circular dated 15th November, 2018 are not applicable for the Company.

8. Credit Ratings

The details of credit ratings obtained/re-confirmed during the year are as under:

Particulars	Rating – 03.09.2020
Total facilities rated	₹ 876.40 crore
Long Term	CRISIL A+/Stable
Short Term	CRISIL A1

9. Disclosures

a) Related Party Transactions

During the period under review, the Company had not entered into any material significant related party transactions that may have potential conflict with the interest of the Company.

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 34 of Standalone Financial Statements, forming part of the Annual Report.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on commercial considerations such as synergy in operations, sectoral specialization and the Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and Associates.

Corporate Governance Report

All related party transactions are negotiated on an arms' length basis and are intended to further the Company's interests.

b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company was required to have a Women Independent Director on its Board w.e.f. 1st April, 2020. However, due to spread of Corona pandemic, suitable candidate for the office could not be appointed on or before the given date. The Company has complied with the requirements by appointing Women Independent Director w.e.f. 20th October, 2020. The Company had received notices for non-compliance and fine from the Stock Exchanges, which have been suitably replied. Considering the Company's representation, BSE has waived the fine for June, 2020 and September, 2020 quarter. The Company has made further representation.

Except as reported herein before, during the last three years, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. Except as disclosed above, no penalties, strictures, fines were imposed on the Company by Stock Exchange or SEBI other or any statutory authority, on any matter related to capital markets.

Further, as reported earlier, the Company's application for delisting is pending with the Calcutta Stock Exchange, for long. The matter has been reported to SEBI. In view of the pendency of delisting application with the Calcutta Stock Exchange, the Company has stopped reporting about the same and has also stopped sending the information to the Calcutta Stock Exchange. Calcutta Stock Exchange is non-operational Stock Exchange.

c) Whistle Blower policy

The Company has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Head HR or the Compliance Officer who report to the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

d) Compliance

Financial Statements: The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

Listing Regulations: There is no non-compliance of any of the requirements of Corporate Governance for the year under review as required under the Listing Regulations, except a delayed compliance, as reported under clause (b) herein above.

Apart from the above, the Company has also adopted the discretionary requirements of having unqualified financial statements and the Internal auditor reporting directly to the Audit Committee.

The Company has also complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company would like to inform that no agreement(s) have been entered with media companies and/or their associates which has resulted/ will result in any kind of shareholding in the Company and consequently any other related disclosures viz., details of nominee(s) of the media companies on the Board of the Company, any management control or potential conflict of interest arising out of such agreements, etc. are not applicable. The Company has not entered into any other back-to-back treaties/ contracts/agreements/ MoUs or similar instruments with media companies and/or their associates.

Unclaimed Dividend / Transfer of shares to IEPF: In accordance with provisions of Section 124 and 15 of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, audit, Transfer and Refund), Rules, 2016 (IEPF Rules) dividend not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules also mandate companies to transfer shares of Members, whose dividends remain unpaid/unclaimed for a continuous period of seven years, to the demat account of the IEPF Authority. The Members whose dividend/shares are transferred to the IEPF Authority can claim their shares/dividend from the Authority.

In accordance with above provisions, the Company has transferred the unpaid dividend till the F.Y. 2012-13 to the

Corporate Governance Report

IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till date, the Company has transferred 1,74,787 shares to IEPF.

The Company had transferred unpaid dividend for F.Y. 2011-12 to IEPF in 2019. However, due to technical reasons, the payment of dividend to IEPF has not been updated in IEPF /MCA records because of which, the relevant details of shareholders required to be filed with MCA, could not be filed. Even the funds have not been received back by the Company for re-transfer to IEPF. The Company is following up with IEPFA and the banks for resolution of the matter.

The details of unpaid dividend lying with the Company, the details of unpaid dividend transferred to IEPF and the details of the shares transferred to IEPF are available on the website of the Ministry of Corporate Affairs (except for details relating to unpaid dividend of F.Y. 2011-12 and shares transferred in 2019, for the reason given herein before) and on the website of the Company. All shareholders whose shares have been so transferred can claim their shares and dividend from the IEPF Authority by following the prescribed procedure.

The Company has appointed Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company – www.seml.co.in.

e) Material financial & commercial transactions by Senior Management

There were no material financial & commercial transactions by Senior Management as defined in Regulation 26 of the Listing Regulations where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company.

f) Governance Policies

The Company strives to conduct its business and strengthen relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, the Company has adopted various codes and policies to carry out its duties in an ethical manner as named hereunder:

- ✓ Code of Conduct
- ✓ Corporate Social Responsibility Policy
- ✓ Vigil Mechanism and Whistle Blower Policy
- ✓ Policy for determining Material Subsidiaries
- ✓ Code of Conduct for Prohibition of Insider Trading
- ✓ Policy for Selection of Directors and determining Directors Independence
- ✓ Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- ✓ Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

g) Web-links

1. Material Subsidiary Policy
<http://seml.co.in/Corporate%20Governance/Policy%20for%20determinig%20Material%20Subsidiaries.pdf>
2. Related Party Transaction Policy
<http://seml.co.in/Corporate%20Governance/Policy%20on%20Related%20Party%20Transactions.pdf>
3. Dividend Distrubution Policy
<http://seml.co.in/Corporate%20Governance/SEML%20-%20Dividend%20Distribution%20Policy.pdf>
4. Other Policies
<http://seml.co.in/policies.php>

h) The Board has adopted all the recommendations made by the committees of the board during the year.

i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part amount to ₹ 34.24 lakh (Gross).

j) No complaint pertaining to sexual harassment of women employees was received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Accordingly, there is no information required to be furnished.

Corporate Governance Report

k) Certificate from practising Company secretary

Certificate from Mr. Kamlesh Ojha, Partner M/s. S.G. Kankani & Associates, Practising Company Secretaries that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is as under:

TO WHOMSOEVER IT MAY CONCERN

I, Kamlesh Ojha, Partner of S.G. Kankani & Associates, Practising Company Secretaries do hereby certify that none of the directors on the board of M/s. Sarda Energy & Minerals Limited have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

This certificate is being issued as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

For S.G. Kankani & Associates

Company Secretaries

CS Kamlesh Ojha

Partner

FCS No. 10807

CP. No. 14660

PR: 1396/2021

UDIN: F010807C000718681

Raipur
31st July, 2021

l) Plant Location

Industrial Growth Centre, Siltara, Raipur (C.G). 493 111
Ph: +91-771-2216100 / Fax: +91-771-2216198
e-mail: cs@seml.co.in

m) Address for correspondence

Regd. Office
73-A, Central Avenue, Nagpur (M.H.)
Ph: +91-771-2722407
e-mail: cs@seml.co.in

Corporate Governance Report

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Sarda Energy & Minerals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st September, 2019.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Limited ('the Company') for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March, 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For, **O. P. Singhania & Co.**
Chartered Accountants
(ICAI Firm Reg. No. 002172C)

(Sanjay Singhania)
Partner
M.No.076961
UDIN: 21076961AAAADJ9247

Raipur
31st July, 2021

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	: L27100MH1973PLC016617
2. Name of the Company	: Sarda Energy & Minerals Limited
3. Registered Address	: 73-A, Central Avenue, Nagpur (M.H.) 440018
4. Website	: www.seml.co.in
5. Email-id	: cs@seml.co.in
6. Financial Year reported	: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	: Iron Ore Pellet/Sponge Iron / Billet / Wire Rod / Ferro Alloys - 241
8. List three key products/services that the Company manufactures /provides (as in balance sheet)	: Iron Ore Pellet Wire Rod Ferro Alloys
9. Total number of locations where business activity is undertaken by the Company	: 2
a) Number of International Locations (Provide details of major 5)	: NIL
b) Number of National Locations	: 1
10. Markets served by the Company – Local/State / National / International	: International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up capital (INR)	: 36.05 crore
2. Total Turnover (INR)	: 1,594.96 crore
3. Total profit after taxes (INR)	: 297.51 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 1.81%
5. List of activities in which expenditure in 4 above has been incurred	: a) Art & Culture b) Armed force veterans c) Education d) Healthcare e) Rural development f) Sports

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	: Yes
2. Do the Subsidiary Company /Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	: Sarda Energy & Minerals Limited [SEML] has 11 subsidiaries. Subsidiaries do not participate in the BR Initiatives of the parent company. However, each of the subsidiaries strives to carry out its business in a sustainable manner and undertake initiatives independently.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	: Our suppliers are not directly involved with the 'Responsible Business' initiatives of the Company. However, our contracts with them address areas like HSE, Ethics, and Human Rights that our suppliers are obliged to adhere to strictly.

Business Responsibility Report

SECTION D

1. BR Information

1 a)	Details of Director/Directors responsible for BR	:	DIN: 00008190 Name: Mr. Pankaj Sarda Designation: Jt. Managing Director
b)	Details of the BR Head	:	Mr. Anup Kumar Nanda Head (Works) Telephone: +91-771-2216100 Email ID: anup.kn@seml.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

A. Name of principles:

P1	:	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle
P3	:	Businesses should promote the well-being of all employees
P4	:	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	:	Businesses should respect and promote human rights
P6	:	Businesses should respect, protect, and make efforts to restore the environment
P7	:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	:	Businesses should support inclusive growth and equitable development
P9	:	Businesses should engage with and provide value to their customers and consumers in a responsible manner

B. Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes. The relevant policies have been developed over a period of time by taking inputs from concerned stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	YES. The policies are in compliance with the national standards. They are also being reviewed and amended from time to time based on the amendments in the respective standards / regulations.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies which are statutorily required have been formulated by the Board or concerned committees of the Board. The Policies have been signed by the CMD of the company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes								
6	Indicate the link for the policy to be viewed online?	Statutorily required policies are available under the investor section on the website of the Company – www.seml.co.in .								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

Business Responsibility Report

C. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8
1	The Company has not understood the Principles								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles								
3	The Company does not have financial or manpower resources available for the task								Not Applicable
4	It is planned to be done within next 6 months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)								

D. Governance related to BR

a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	:	The BR performance of the Company is assessed quarterly by the Audit Committee and also by internal teams under guidance from Chairman & Managing Director /Jt. Managing Director.
b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink or viewing this report? How frequently it is published?	:	The BR report is available on the website of the Company at - www.seml.co.in - under investor section and same will be published annually.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

No. It extends to the group, joint ventures, suppliers and contractors and employees too.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2020-2021, the Company has not received any complaint from the shareholders of the Company. General requests for release of unpaid dividend and procedural queries were received which were responded suitably and timely. The Stakeholders Relationship Committee of the Company specifically looks into various aspects of interest of shareholders, and other security holders of the Company.

During financial year 2020-2021 no complaints pertaining to sexual harassment were received by the Company. Similarly, the Company has not received any complaint about unethical behavior, actual or suspected fraud or violation of the Code of Conduct or any other unethical or improper activity under Whistle Blower Policy/Vigil Mechanism of the Company.

The Company has received 13 complaints from other customers, which have been resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company has installed pollution control equipments to control emission. The Company processes the waste generated to reuse it or to make it reusable by others.

- a) Iron ore Pellets –The waste generated in the production is fully recycled. The Tar and Ash generated from Gasifiers is sold for use in production process by customers. The ESP dust is recycled. The accretion of the Kiln is also processed and recycled in production of other products in the Company to recover Fe content thereof.

Business Responsibility Report

- b) DRI/Sponge Iron- The Company uses waste heat for production of electricity. The fly ash ash is used in brick making. The Kiln accretion is reprocessed / sold for recovery of Fe content. The water is treated and recycled in production process. Bag filter dust is also sold to customers for use in production process of their products.
 - c) Ferro Alloys- The slag generated is granulized and used in brick making. The ESP and GSP Dust is recycled to recover Mn and Fc content thereof.
 - d) Fly Ash Bricks- The Company produces bricks and blocks using waste generated from production of different products which replace red bricks, which is hazardous to the environment. The Company has increased production capacity over years to fully utilize the waste. In the year 2020-21 the Company produced 1.88 lakh MTs (P.Y. 1.86 lakh MTs) of bricks.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Being a natural resource Company, there is intensive need for resources – water, energy and raw materials, in our operations. We are also in continuous need for fuel and electricity, which places us amongst the energy intensive industries. We therefore recognize the impact of our operations on the environment and adopt strategies to minimize our resource use in all our processes. To further channelize our endeavours, we consciously track usage of these resources – air, water, energy and raw materials, throughout our operations to keep the usage to minimum levels and focus on recycling these resources to the maximum possible extent.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The details are as under:

Power

Product	UOM	Reduction achieved in consumption, PMT of production in 2020-21 as compared to F.Y. 2019-20
Sponge Iron	Kwh/MT	-
Billet	Kwh/MT	13
Wire Rod	Kwh/MT	3
HB Wire	Kwh/MT	1

Water

Product	UOM	Reduction achieved in consumption, PMT of production in 2020-21 as compared to F.Y. 2019-20
Sponge Iron	Ltr/MT	80
Billet & WRM	Ltr/MT	155
Power	Ltr/MW	-

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a structured procedure to ensure sourcing of raw materials in an optimal sustainable manner. The Company procures key raw material like Iron-Ore from NMDC and its own mines at Dongarbore in Chhattisgarh and from Odisha. The sourcing of raw materials like iron ore and coal was made through rail and road transport with the material being covered suitably to avoid spillage and dust pollution. Priority is given to sourcing by rail for reduced emission. Multiple handling is avoided to the extent possible. Operations have been vertically integrated to reduce transportation and waste of heat.

At material handling areas for coal and iron ore –bag filters and water sprinklers have been installed. Fly ash is transported in bulkers.

In financial year 2020-2021 majority of inputs of the Company were sourced sustainably.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Business Responsibility Report

The Company promotes procurement of goods and services from local vendors and small producers. This is primarily for hiring equipment and services, as well as procuring minor raw materials, stationary items and food supplies. For example, the Company has hired local contractors for supply and operation of cargo handling equipment, dozers, dumpers, etc. It also recruits workers from local communities for operation and maintenance of its plants. Minor fabrication works and materials are also sourced from local suppliers. The Company continuously builds and improves the skills and capacity of local contractors through periodic vendor development programmes.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has mechanism to recycle most of its waste for which it has been pursuing programme titled "Waste to Wealth". Waste is recycled to recover residual metal and remaining waste is used in civil construction / brick making. Fly ash is also supplied to cement plants for use in production process.

Principle 3: Businesses should promote the well-being of all employees

Our employees are our key assets, and our growth and success are attributable to them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented work force that run our businesses. We are committed to providing our employees with a safe and healthy work environment through a high degree of engagement and empowerment, supported with adequate training and workshops, we enable them to realize their full potential, creating a high-performance work culture. We also focus on effectively utilizing and grooming talent by appropriately rotating them across businesses for experience in new roles and to prepare them to take up various key positions in the future. The Company supports brilliant children of employees to pursue higher studies. The Company has also taken medical insurance for well-being of employees.

1	Total number of permanent employees	:	1,210												
2	Total number of employees hired on temporary/contractual/casual basis	:	2,510												
3	Number of permanent women employees	:	05												
4	Number of permanent employees with disabilities	:	NIL												
5	Do you have an employee association that is recognized by management	:	NO												
6	Percentage of your permanent employees is members of this recognized employee association	:	NA												
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	:	No complaints relating to child labour, forced labour, involuntary labour, sexual harassment were received during the F.Y. 2020-21.												
8	Percentage of under mentioned employees who were given safety & skill up- gradation training in the last year	:	<table border="0"> <tr> <td>a)</td> <td>Permanent Employees</td> <td>774</td> </tr> <tr> <td>b)</td> <td>Permanent Women Employees</td> <td>1</td> </tr> <tr> <td>c)</td> <td>Casual/Temporary/Contractual Employees</td> <td>1796</td> </tr> <tr> <td>d)</td> <td>Employees with Disabilities</td> <td>NA</td> </tr> </table>	a)	Permanent Employees	774	b)	Permanent Women Employees	1	c)	Casual/Temporary/Contractual Employees	1796	d)	Employees with Disabilities	NA
a)	Permanent Employees	774													
b)	Permanent Women Employees	1													
c)	Casual/Temporary/Contractual Employees	1796													
d)	Employees with Disabilities	NA													

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has mapped its stakeholders and the key stakeholders are as follows:

- a) Government and regulatory authorities
- b) Investors and Shareholders
- c) Employees
- d) Customers
- e) Local Communities
- f) Suppliers/contractors
- g) Lenders
- h) Displaced families

Mapping of various mechanisms and practices with stakeholders will be formally established in due course.

Business Responsibility Report

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The Company has identified such stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has implemented programmes to improve livelihood of disadvantaged, vulnerable and marginalized stakeholders. One such area is operation of Ambulance with doctors and medicine in remote areas through-out the year. Support to villagers particularly women for providing alternate source of income. Support to NGOs providing services to marginalized stakeholders such as **Parivaar** - a charitable organization engaged in activities related to children, by providing education, livelihood training and hand-holding particularly to destitute and vulnerable children and youth so that the children can realize their full potential / **Friends of Tribal Society** - providing basic and moral education to the tribal children in remote areas, deep interiors / **Akshay Patra** - providing midday meal in government schools and government-aided schools and supporting the right to education of socio-economically disadvantaged children.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy of the Company on human rights cover extends to the Group, Joint Ventures, Suppliers, Contractors, NGOs.

All its business partners (Suppliers, Contractors, NGOs) are contractually obliged to respect human rights.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The details of complaints received, resolved and pending as on the end of the F.Y. are as under:

Complaint from	Received	Resolved	Pending as on 31.03.2021
Shareholders	NIL	NA	NIL
Customers	13	13	NIL

The Company has not received any other complaint during financial year 2020-21.

Principle 6 : Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy related to Principle 6 extends to the Group, Joint Ventures and Contractors.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage, etc.

The Company understands the global issue of climate change and takes suitable actions to address it. The Company is committed to -

- Addressing environmental issues through efficient use of natural resources, promote use of renewable energy, minimization of wastes, water management, protecting the biodiversity and reducing carbon footprint.
- Effective implementation of environmental management system to prevent, mitigate and control environmental damages.

The Company has taken extensive plantation in and around the plant premises to maintain / increase the green cover. The Company is promoting renewable power and one hydropower project promoted by the Company is registered as CDM project. The waste heat recovery is another major step in this direction. The Company is also examining feasibility to recover waste heat from ferro alloys process. Another step is installation of VVF drives and use of LED lighting system in place of conventional lighting system. The Company is installing 4 more producer gas plants to replace Existing fuel (-200 mesh polarized coal) by clean fuel (Producer gas) and is modifying existing ESP to further reduce dust emission and control pollution. These facilities will be operationalized during current year. The Company has also started work on additional 2 ESP field in FBC-3 boiler to further reduce emission and will be operationalized in current financial year.

Business Responsibility Report

3. Does the Company identify and assess potential environmental risks? Y/N
Yes. The Company assesses the potential impacts of its operations on the environment through the implementation of the policy on Conservation and Preservation of the Environment. Potential environmental risks are identified, steps are taken to measure and mitigate the risk.
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
Yes, one of the hydro power projects promoted by the Company is registered under CDM.
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page, etc.
Yes, the Company has installed gasifiers for cleaner use of coal. WHR boilers for use of waste heat, upgraded ESP for reduced emission. Installed solar and hydropower projects. More details can be found on our website www.semil.co.in
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes, the emissions/waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB and are monitored constantly.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
No show cause/legal notices issued to the Company were pending as at the end of F.Y. 2020-21.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
We are a member of various trade/chamber associations, major among them being the Confederation of Indian Industry (CII), Sponge Iron Manufacturers Association (SIMA), Chhattisgarh Sponge Iron Manufacturers Association (CGSIMA), Indian Ferro Alloys Producers Association (IFAPA) and the likes.
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)
Yes, the Company is actively involved in the following areas for advocating public good:
 - Blood Donation camps
 - Safety and Skill Development
 - Energy and Raw Material Security
 - Sustainable Business principles
 - Governance
 - Economic Reforms
 - Inclusive development policies

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
Yes, as a responsible corporate citizen, the Company focuses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on social development programmes, especially inclusive development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas. One such initiative is support to 50 Single teacher schools, mobile hospital in deep remote areas starved of basic necessities, support to NGOs working for upliftment of downtrodden / deprived segment of the society.

Business Responsibility Report

The Company has voluntarily adopted a Corporate Social Responsibility (CSR) policy which governs the CSR activities of the Company. During the year 2020-21, the Company has spent ₹ 537.17 lakh on social activities including quality/affordable education, healthcare, rural development activities, art & culture, etc. The Company has also supported various activities and support programs in the fight against COVID-19 pandemic. For further details, Members are requested to refer the annual report on CSR activities annexed as [annexure G](#) to the Directors' Report.

- Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

We implement our programmes directly through our Corporate Social Responsibility team and also in association with government and NGOs. We also actively encourage our own employees to contribute towards these social initiatives.

- Have you done any impact assessment of your initiative?

Yes

- What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The total amount spent on all CSR activities and projects during the FY 2020-2021 was ₹ 537.17 lakh. The major thrust areas for our programmes are – a) Healthcare b) Education c) Art & Culture d) Sports e) Rural Development projects.

- Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of our programmes emerge from a community requirement assessment, endorsed by Gram Panchayats and are delivered in close partnership with them. We have taken steps to ensure that the beneficiaries of the support are in true sense the needy people. The Company regularly engages with nearby villagers to ensure that the community development programs adopted by the respective beneficiaries generate maximum possible benefits to the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- What percentage of customer complaints/consumer cases are pending as on the end of financial year?

No complaints pending at the end of FY 2020-2021

- Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company's products do not have any mandatory labelling requirements. However, the Company provides test certificates issued by in house testing lab and sometimes from the certified third parties containing quality parameters, as well as the chemical and physical properties of the product. The above information is also available in product brochures that are given to customers. One of the Company's lab is NABL accredited Lab.

- Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case was filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and as accordingly, no such case is pending as on end of financial year.

- Did your Company carry out any consumer survey/ consumer satisfaction trends?

Feedback is a continuous process at our operations, and we leverage feedback for continual improvement in product and service quality, for benchmarking ourselves with industry standards and identifying scope and future opportunities to increase customer value. The Company's Management regularly reviews the feedback/suggestions received by its marketing team.

Independent Auditor's Report

To the Members of
Sarda Energy & Minerals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Sarda Energy & Minerals Limited** ('the Company'), which comprise the balance sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include standalone financial statements and our auditors report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation

Independent Auditor's Report

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

Independent Auditor's Report

significance in the audit of the standalone financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 41 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **O. P. Singhania & Co.**
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961
UDIN: 21076961AAAABY2165

Raipur, 22nd May, 2021

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant & equipment.
- (b) As explained to us, all major assets except certain low value items viz furniture & fixtures and office equipment have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on property, plant & equipment to the standalone financial statements, are held in the name of the Company except the immovable properties of merged companies which has still carried on the name of erstwhile companies and are yet to be updated in revenue records.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loan to six companies and one Limited Liability Partnership covered in the register maintained under section 189 of the Act during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that:
 - (a) The terms & conditions of the grant of such loan are not prejudicial to the interest of the Company.
 - (b) As explained to us the principal amounts are repayable on demand, whereas the interest is payable annually at the discretion of the Company and the repayments or receipts are regular.
 - (c) Since the amount outstanding is not overdue, therefore, the provisions of clause 3 (iii)(c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public, in terms of the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder; therefore the provisions of clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, duty of customs, cess and any other statutory dues with the appropriate authorities. Further, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following cases:

Name of the Statute	Nature of the Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.21	Mar 1986 to Oct 1988	At M.P. High Court
Central Excise Act, 1944	Excise Duty	0.08	Mar 1989 to Aug 1989	Commissioner (Appeals)

Annexure - A to the Independent Auditors' Report

Name of the Statute	Nature of the Dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty Penalty	8.08 8.09	2015-16	Customs Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	2.08	April 2016 to June 2019	Commissioner (Appeals)
Central Sales Tax Act & Sales Tax Acts of Various states and Entry Tax Act, 1976	Value Added Tax, Central sales tax and Entry tax	3.09	2006-07 to 2013-14	Appellate Authorities upto Commissioner and High Court level
Income Tax Act, 1961	Income Tax	2.68	A.Y. 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	5.42	A.Y. 2018-19	Appeal is yet to be filed.
Chhattisgarh Upkar Adhinyam, 1981	Energy Development Cess	70.03	May 2006 to December 2020	Supreme Court

- (viii) Based on our audit procedures, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or debenture holders as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). According to the information and explanations given to us, and in our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Order is not applicable to the Company.
- (xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order is are not applicable to the Company.

For **O. P. Singhania & Co.**
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961
UDIN: 21076961AAAABY2165

Raipur, 22nd May, 2021

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Sarda Energy & Minerals Limited** (the "Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure - B to the Independent Auditors' Report

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **O. P. Singhania & Co.**
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961
UDIN: 21076961AAAABY2165

Raipur, 22nd May, 2021

Balance Sheet as at 31st March, 2021

(₹ in Crore)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current Assets	2		
(a) Property, Plant & Equipment		480.78	496.73
(b) Capital work-in-progress		65.68	26.11
(c) Investment Property		44.53	43.42
(d) Other Intangible Assets		2.78	2.75
(e) Intangible Assets under development		-	8.55
(f) Financial Assets			
(i) Investments	3	820.35	806.76
(ii) Other Financial Assets	4	1.52	2.03
(g) Other Non-current Assets	5	32.16	17.81
		1,447.80	1,404.16
(2) Current Assets			
(a) Inventories	6	439.36	369.68
(b) Financial Assets			
(i) Investments	7	92.23	41.90
(ii) Trade receivables	8	78.09	62.20
(iii) Cash & cash equivalents	9	2.69	3.24
(iv) Bank balances other than (iii) above	10	0.72	0.71
(v) Loans	11	393.50	408.97
(c) Current Tax Assets (net)		-	0.82
(d) Other Current Assets	12	135.56	90.11
		1,142.15	977.63
TOTAL ASSETS		2,589.95	2,381.79
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	36.05	36.05
(b) Other Equity		1,974.89	1,695.42
Total Equity		2,010.94	1,731.47
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	218.12	259.07
(ii) Other Financial Liabilities	15	2.93	2.16
(b) Deferred Tax Liabilities (Net)	16	47.47	42.54
(c) Provisions	17	2.42	2.50
		270.94	306.27
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	10.67	106.25
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises		2.13	1.78
(b) Total outstanding dues of creditors other than micro and small enterprises		162.37	135.69
(iii) Other Financial Liabilities	19	100.81	83.08
(b) Other Current Liabilities	20	22.97	10.68
(c) Provisions	21	5.13	6.57
(d) Current Tax Liabilities (net)		3.99	-
		308.07	344.05
TOTAL EQUITY AND LIABILITIES		2,589.95	2,381.79

Significant Accounting Policies

1

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2021

(₹ in Crore)

	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Revenue from operations	22	1,594.96	1,423.91
II. Other income	23	107.15	60.74
III. Total Revenue (I + II)		1,702.11	1,484.65
IV. Expenses			
Cost of materials consumed	24	953.65	903.42
Purchases of Stock-in-Trade		32.28	17.08
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(12.23)	(0.14)
Employee benefits expense	26	67.70	67.97
Finance costs	28	34.49	35.70
Depreciation and amortization expense	2	48.16	51.35
Other expenses	29	181.65	195.45
Total Expenses		1,305.70	1,270.83
V. Profit before Exceptional Items and Tax (III - IV)		396.41	213.82
VI. Exceptional items (Income) / Expense		14.52	-
VII. Profit Before Tax (V - VI)		381.89	213.82
VIII. Tax expense			
(1) Current tax		80.50	51.25
(2) Deferred tax		4.85	(19.74)
IX. Profit for the period (VII - VIII)		296.54	182.31
Other comprehensive income for the year, net of tax	32		
Items that will not be reclassified to profit or loss		1.05	1.63
Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.13)
Items that will be reclassified to profit or loss		-	0.04
Income tax relating to items that will be reclassified to profit or loss		-	(0.01)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		297.51	183.84
X. Earnings per equity share	31		
Basic		82.26	50.57
Diluted		82.26	50.57

Significant Accounting Policies

1

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2021

(₹ in Crore)

a Equity Share Capital						
For the year ended 31st March, 2020						
	Balance at April 1, 2019		Changes in equity share capital during the year		Balance at March 31, 2020	
	36.05		-		36.05	
For the year ended 31st March, 2021						
	Balance at April 1, 2020		Changes in equity share capital during the year		Balance at March 31, 2021	
	36.05		-		36.05	
b Other Equity						
	Reserves and Surplus				OCI Equity Instruments through Other Comprehensive Income	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as of April 1, 2019	4.05	194.01	171.83	1,159.34	0.37	1,529.60
Other Comprehensive Income				1.50	0.03	1.53
Profit for the year				182.31		182.31
Dividends				(18.02)		(18.02)
Balance as of March 31, 2020	4.05	194.01	171.83	1,325.13	0.40	1,695.42
Balance as of April 1, 2020	4.05	194.01	171.83	1,325.13	0.40	1,695.42
Other Comprehensive Income				0.96	-	0.96
Profit for the year				296.53		296.53
Dividends				(18.02)		(18.02)
Balance as of March 31, 2021	4.05	194.01	171.83	1,604.60	0.40	1,974.89

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Cash Flow Statement for the year ended 31st March, 2021

(₹ in Crore)

	Year ended 31.03.2021	Year ended 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit & Loss	381.89	213.82
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	48.16	51.35
Finance Costs	34.49	35.70
Exchange differences on translation of assets and liabilities	(11.63)	5.27
Loss pertaining to scraping of assets	0.76	0.30
Allowance/(Reversal) for credit losses on financial assets	-	(0.06)
Interest Income	(36.84)	(39.48)
Corporate Guarantee Commission	(0.39)	(0.67)
Net (Gain)/Loss on investments pertaining to Fair valuation	(50.33)	10.57
Dividend income	(0.30)	(18.04)
(Profit) / Loss on sale of investments	(0.46)	(0.28)
(Profit) / Loss on sale of PPE	(0.48)	(0.04)
Share of (Profit)/loss in Partnership Firm	(18.08)	(12.57)
Impairment loss on discarding of CWIP	14.52	-
Operating Profit before working capital changes	361.31	245.87
Changes in assets and liabilities		
Trade Receivables	(15.88)	(23.11)
Inventories	(69.69)	(69.23)
Trade Payables	38.67	43.59
Loans and advances and other assets	(62.92)	(10.59)
Liabilities and provisions	14.62	24.46
	266.11	210.99
Income Tax Paid	(76.60)	(59.18)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	189.51	151.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in PPE including capital advances	(78.94)	(37.88)
Sale proceeds of PPE	1.31	0.37
Investment made in Subsidiaries	4.97	(125.23)
Other Investments (made)/liquidated	0.35	0.28
Loan repaid by/(given) to Subsidiaries	30.40	(92.82)
Loan repaid by/(given) to Others	23.02	39.54
Interest received	1.90	6.77
Dividend received	0.30	18.04
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(16.69)	(190.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	189.35
Repayment of long term borrowings	(24.01)	(23.84)
Short term borrowings (net)	(95.58)	(69.83)
Finance cost	(35.76)	(36.48)
Dividend & dividend tax paid	(18.02)	(18.02)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	(173.37)	41.18
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	(0.55)	2.06
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3.24	1.18
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2.69	3.24

Cash Flow Statement for the year ended 31st March, 2021

	(₹ in Crore)	
	Year ended 31.03.2021	Year ended 31.03.2020
Supplementary Information		
Restricted Cash Balance	0.72	0.71
Increase/(decrease) in Cash and Cash equivalents	(0.55)	2.06
Notes		
(a) Cash and cash equivalent include the following		
Cash on Hand	0.24	0.32
Balances with Scheduled banks	2.45	2.92
	2.69	3.24
(b) Figures in brackets represent outflows		

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Significant accounting policies and notes to financial statements

(₹ in Crore, except share and per share data, unless otherwise stated)

1 Company Overview

The Company has integrated steel manufacturing facility starting from iron ore mining to the finished steel in the form of wire rod and H.B. wire. The Company is also a leading manufacturer and exporter of Ferro Alloys enjoying Two Star Export House Status. The manufacturing facilities are backed by captive thermal power plant. The Company has also promoted hydropower projects through SPVs.

1.1 Significant Accounting Policies

Basis of preparation of financial statements

1.2 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ('Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.3 Basis of Measurement

The financial statements have been prepared on the historical cost convention and on accrual basis except for the following:

- certain financial assets and liabilities including derivative instruments measured at fair value
- defined benefit plans - plan assets measured at fair value
- Share based payments

The financial statements are presented in Indian rupees rounded off to nearest crores.

1.4 Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

1.5 Summary of significant accounting policies

1.5.1 Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of return, trade discounts and volume rebates. Revenue is recognized when the control over the goods have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return can be estimated reliably and there is no continuing effective control or managerial involvement with, the goods, and the amount can be measured reliably.

1.5.2 Other income

Interest income

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Incentives

Revenue is recognized when the right to receive the credits is established and there is no significant uncertainty regarding the ultimate collection.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

1.5.3 Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

ii) Depreciation

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013. Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.

Mining rights and expenditure incurred on development of mines are amortized over useful life of mines or lease period, whichever is earlier.

iii) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognized as a separated component is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss as incurred.

iv) Spare parts

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized and depreciated on straight line method on prorata basis at the rates specified therein. Other spare parts are carried as inventory and recognized in the income statement on consumption.

1.5.4 Investment properties

Property that is held for capital appreciation or for earning rentals or both or whose future use is undetermined is classified as investment property. Items of investment properties are measured at cost less accumulated depreciation / amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Investment properties are depreciated on straight line method on prorata basis at the rates specified therein. Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

1.5.5 Intangible assets

Intangible assets comprising of computer software, mining rights are stated at cost of acquisition/ implementation/ development less accumulated amortization.

Amortization

Intangible Assets are amortized over technically useful life of the asset.

1.5.6 Capital work in progress

Capital work in progress is stated at cost.

Expenditure in relation to survey and investigation of the projects is carried as Capital Work in Progress. Such expenditure is either capitalized as cost of project on completion of the construction of the project or the same is expensed in the year in which it is decided to abandon such project.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

1.5.7 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified on the inception date as a finance or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leases under which substantially all the risks and rewards of ownership are not transferred to the Company are classified as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

As a lessor

Lease payments under operating leases are recognized as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

1.5.8 Inventory

- i) Stores and Spares are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower.
- ii) Raw Materials are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower. However, raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- iii) Finished and semi finished products produced or purchased by the Company are carried at lower of cost and net realizable value. Cost includes direct material and labor cost and a proportion of manufacturing overheads. Cost of finished goods includes excise duty based on prevailing rate.
- v) By products are valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.5.9 A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

Financial asset

i) Initial measurement

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Regular way purchase and sale of financial assets are recognized on trade date. Financial assets of the Company include investments in equity shares of subsidiaries, associates, joint ventures and other companies, trade and other receivables, loans and advances to employees and other parties, deposits etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- 1) financial assets measured at amortized cost

Notes to Standalone Financial Statements for the year ended 31st March, 2021

- 2) financial assets measured at fair value through other comprehensive income and
- 3) financial assets measured at fair value through profit and loss

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortized cost

A financial instrument is measured at amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents, employee and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets
- (b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL. Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have been transferred, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Financial liability

i) Initial measurement

All financial liabilities are recognized initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial liabilities of the Company are classified in the following categories:

- 1) financial liabilities measured at amortized cost
- 2) financial liabilities measured at fair value through profit and loss

Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

1.5.10 Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Investments in subsidiaries, associates and joint ventures are measured at cost in accordance with Ind AS 27. Investments in mutual funds are measured at fair value through profit and loss (FVTPL). The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Trading instruments are recognized at FVTPL.

1.5.11 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment using expected credit loss method.

1.5.12 Loans and borrowings

Loans and borrowings are initially recognized at fair value net of transaction costs incurred. Subsequently, these are measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

1.5.13 Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the EIR model.

1.5.14 Derivatives

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

1.5.15 Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- a) Financial assets measured at amortized cost e.g. loans, deposits and trade receivables.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

b) Financial assets measured at FVTOCI e.g. investments.

Expected credit losses are measured through a loss allowance at an amount equal to:

- (i) The 12 months expected credit loss (expected credit losses that result from those defaults events on the financial instruments that are possible within 12 months after the reporting date) ;or
- (ii) Full time expected credit loss (expected credit loss that results from all possible defaults events over the life time of the financial instruments)

Loss allowance for trade receivable are always measured at an amount equal to life time expected credit losses. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

As a practical expedient, the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward looking estimates are analyzed.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in profit or loss. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

1.5.16 Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the

Notes to Standalone Financial Statements for the year ended 31st March, 2021

carrying amount of the MAT credit entitlement at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

1.5.17 Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Contribution to Provident fund and Contributory pension fund are accounted for on accrual basis. Provident fund contributions are made to a fund administered through statutory fund.

Actuarial gains or losses on gratuity and leave encashment are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

1.5.18 Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.5.19 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks are considered part of the Company's cash management system.

1.5.20 Foreign currency transactions

The Company's financial statements are presented in INR which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

1.5.21 Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalized as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition of the qualifying asset.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. All other borrowing costs are recognized as an expense in the year in which they are incurred.

1.5.22 Share Based Payments

The fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over period in which the options are vested. The increase in equity recognized in connection with a share based payment transaction is presented as a separate component of equity. The amount recognized as an expense is adjusted to reflect the actual number of share options that vest.

1.5.23 Advance Stripping Cost

The Company distributes stripping (waste removal) costs incurred during the production phase of its mining operations on equitable basis over estimated minable reserves. This calculation requires the use of judgments and estimates relating to the expected tons of waste to be removed over the life of the mining area and the expected economically recoverable reserves to be extracted as a result. This information is reviewed periodically to calculate the average life of mine strip ratio (expected waste to expected mineral reserves ratio). Changes in a mine's life and design will usually result in changes to the average life of mine strip ratio. These changes are accounted for prospectively.

1.5.24 Mine Restoration Expense

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mining property and the Company is liable for environmental damage caused by mining activities.

These future costs generally include restoration and remediation of land and disturbed areas, mine closure costs, including the dismantling and demolition of infrastructure and the removal of residual materials, and mining damages costs.

Decommissioning of mine sites and land and disturbed areas restoration costs are a normal consequence of mining. The majority of mine closure and rehabilitation expenditure is incurred at the end of the life of the mine. Although the ultimate cost to be incurred is uncertain, the Company's businesses estimate their respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Restoration costs and clean-up of land used for mining activities are liabilities to restore the land to the condition it was in prior to the mining activities or as stated in the relevant licenses. These costs are incurred during the mining activity and can continue for many years depending on the nature of the disturbance and the remediation techniques. The mine closure costs include estimated costs of mine levels and pits closure, and capping of pits after removal of the surface construction.

Provisions for land restoration and mine closure costs are recognized for estimated outflow of economic resources to settle the obligation. Provisions are structured as land restoration and mine closure costs provision. The total estimate of restoration expenses is apportioned over the life of the mine.

1.5.25 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Partly paid equity shares are treated as fraction of a equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

1.5.26 Segment Reporting

i) Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

ii) Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

iii) Inter-Segment Transfers

The Company generally accounts for intersegment transfers at an agreed transaction value.

iv) Unallocated Items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 33 for details on segment information presented.

1.5.27 Onerous Contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating/exiting the contract and the expected net cost of fulfilling the contract.

1.5.28 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expense associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Financial Reports

Statutory Reports

Corporate Overview

Note 2 PROPERTY, PLANT & EQUIPMENT

	Gross Block				Depreciation				Net Block	
	As on 01.04.2020	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2021	Up to 01.04.2020	Depreciation for the year	Transfer / Adjustment	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
Freehold Land	8.96	-	-	8.96	-	-	-	-	8.96	8.96
Leasehold Land	8.52	-	-	8.52	0.47	0.09	-	0.56	7.96	8.05
Building	144.54	2.41	-	146.95	38.97	7.02	-	46.00	100.95	105.57
Plant & Equipment	557.62	30.41	2.68	585.35	189.94	38.43	1.79	226.58	358.77	367.68
Furniture, Fixture & Equipment	6.44	0.37	-	6.81	4.09	0.87	-	4.96	1.85	2.35
Vehicles	9.82	0.18	2.89	7.11	5.70	1.17	2.05	4.82	2.29	4.12
	735.90	33.37	5.57	763.70	239.17	47.58	3.84	282.92	480.78	496.73
Capital Work in Progress (including Capital Stock)				65.68					65.68	26.11
INVESTMENT PROPERTY										
Freehold Land-IP	32.06	-	-	32.06	-	-	-	-	32.06	32.06
Admin Bldg- IP	12.40	1.36	-	13.76	1.04	0.25	-	1.29	12.47	11.36
	44.46	1.36	-	45.82	1.04	0.25	-	1.29	44.53	43.42

Amount recognized in profit & loss for investment properties:

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Rental Income (Included in non-operating income)	0.09	0.10
Other Expenses related to Investment Properties	0.04	0.06
Profit from Investment Properties before depreciation	0.05	0.04
Depreciation	0.25	0.21
Profit/(Loss) from Investment Properties	(0.20)	(0.17)

The Company has given certain investment properties on operating lease arrangements for a period upto 11 months and are cancellable in nature.

OTHER INTANGIBLE ASSETS

	Gross Block				Depreciation				Net Block	
	As on 01.04.2020	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2021	Up to 01.04.2020	Depreciation for the year	Transfer / Adjustment	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
Software	1.88	0.35	-	2.23	1.28	0.14	-	1.42	0.81	0.60
Minig Rights & Development	3.08	-	-	3.08	0.93	0.19	-	1.12	1.97	2.15
	4.96	0.35	-	5.31	2.21	0.33	-	2.54	2.78	2.75
Capital Work in Progress (including Capital Stock)				-					-	8.55

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 2 PROPERTY, PLANT & EQUIPMENT

	Gross Block				Depreciation				Net Block	
	As on 01.04.2019	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2020	Up to 01.04.2019	Depreciation for the year	Transfer / Adjustment	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
Freehold Land	8.96	-	-	8.96	-	-	-	-	8.96	8.96
Leasehold Land	8.52	-	-	8.52	0.38	0.09	-	0.47	8.05	8.14
Building	141.14	3.40	-	144.54	31.10	7.87	-	38.97	105.57	110.04
Plant & Equipment	538.59	19.58	0.55	557.62	149.81	40.38	0.25	189.94	367.68	388.78
Furniture, Fixture & Equipment	5.50	1.07	0.13	6.44	3.37	0.80	0.08	4.09	2.35	2.13
Vehicles	9.60	0.77	0.55	9.82	4.41	1.62	0.33	5.70	4.12	5.20
	712.31	24.82	1.23	735.90	189.07	50.76	0.66	239.17	496.73	523.25
Capital Work in Progress (including Capital Stock)				26.11					26.11	19.05
INVESTMENT PROPERTY										
Freehold Land-IP	32.06	-	-	32.06	-	-	-	-	32.06	32.06
Admin Bidg- IP	12.40	-	-	12.40	0.82	0.22	-	1.04	11.36	11.57
	44.46	-	-	44.46	0.82	0.22	-	1.04	43.42	43.63
OTHER INTANGIBLE ASSETS										
Software	1.88	-	-	1.88	1.10	0.18	-	1.28	0.60	0.78
Minig Rights & Development	3.08	-	-	3.08	0.74	0.19	-	0.93	2.15	2.34
	4.96	-	-	4.96	1.84	0.37	-	2.21	2.75	3.12
Intangible Assets under Development				8.55					8.55	8.43

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March, 2021	As at 31st March, 2020
Note 3 NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS		
A. Investments in Equity Instruments		
Subsidiary Companies - Unquoted (at cost)		
(a) 10,00,000 (P.Y. 10,00,000) Equity Shares of Sarda Energy & Minerals HongKong Limited of US\$ 1.00 each	0.56	0.56
(b) 40,85,100 (P.Y. 30,85,100) Equity Shares of Sarda Global Venture Pte Limited of US\$ 1.00 each	28.30	20.75
(c) 7,16,307 (P.Y. 7,16,307) Equity Shares of Sarda Energy Limited of ₹ 10/- each	74.60	74.60
(d) 2,10,16,000 (P.Y. 2,10,16,000) Equity Shares of Sarda Metals & Alloys Limited of ₹ 10/- each	212.61	212.16
(e) 16,19,61,080 (P.Y. 16,19,61,080) Equity Shares of Madhya Bharat Power Corporation Limited of ₹ 10/- each	399.83	399.83
(f) 7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Limited of ₹ 10/- each	7.84	7.84
(g) 7,155 (P.Y. 7,155) Equity Shares of Natural Resources Energy Private Limited of ₹ 10/- each	0.01	0.01
(h) 1,000 (P.Y. 1000) Equity Shares of Sarda Gobal Trading DMCC of AED 1,000 each	1.88	1.88
In Joint Ventures (at cost)		
(a) 1,30,800 (P.Y. 1,30,800) Equity Shares of Raipur Infrastructure Company Limited of ₹ 10/- each	2.11	2.11
(b) 1,30,742 (P.Y. 1,30,742) Equity Shares of Madanpur South Coal Company Limited of ₹ 10/- each	1.83	1.83
B. Investments in LLP (at cost)		
(a) Shri Ram Electricity LLP	3.53	3.53
(b) Chattisgarh Hydro Power LLP	85.30	79.80
(c) Sarda Hydro Power LLP	0.30	0.30
C. In Other companies-Carried at FVTOCI		
4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited	1.45	1.45
D. Investments in Mutual Funds - Carried at FVTPL		
1,49,980 units (P.Y. 1,49,990 units) of KBC Mutual Fund	0.20	0.11
	820.35	806.76
Aggregate amount of quoted investment and market value thereof-		
Aggregate book value of quoted investments	0.20	0.11
Aggregate market value of quoted investments	0.20	0.11
Aggregate value of unquoted investments	820.15	806.65
Investment carried at cost	818.69	805.20
Investment carried at fair value through OCI	1.45	1.45
Investment carried at fair value through Profit & Loss	0.20	0.11

(i) The Company, in its capacity as promoter, has pledged 14,54,70,000 shares of Madhya Bharat Power Corporation Limited and 1,07,18,160 shares of Sarda Metals & Alloys Limited as security for loans availed by the entities.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March, 2021	As at 31st March, 2020
Note 4 NON CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSETS		
Security Deposits		
Unsecured, considered good	1.52	2.03
	1.52	2.03
	As at 31st March, 2021	As at 31st March, 2020
Note 5 OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	11.24	12.76
(b) Advances other than capital advances		
Unsecured, considered good		
(i) Security Deposits		
Unsecured, considered good	0.69	0.69
(ii) Vendor advances		
Unsecured, considered good	14.41	-
Advance income tax	1.71	0.81
Prepaid expenses	0.35	0.13
Balances with Revenue Authorities	3.76	3.42
	32.16	17.81
	As at 31st March, 2021	As at 31st March, 2020
Note 6 INVENTORIES		
(valued at lower of cost and net realisable value)		
(a) Raw Material	255.76	206.41
(b) Finished / semi finished goods	146.01	133.93
(c) Stock-in-Trade	0.16	0.02
(d) Stores and spares	37.43	29.32
	439.36	369.68
	As at 31st March, 2021	As at 31st March, 2020
Note 7 CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
Investments in Equity Instruments-Carried at FVTPL		
In Other Companies		
32,813 (P.Y. 32,813) Equity Shares of Abhishek Mills Limited	0.00	0.00
15,00,000 (P.Y. 15,00,000) Equity Shares of Canfin Homes Limited	92.06	41.86
3,688 (P.Y. 3,688) Equity Shares of Indian Metals & Ferro Alloys Limited	0.17	0.04
	92.23	41.90
Aggregate amount of quoted investments and market value thereof	92.23	41.90

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March, 2021	As at 31st March, 2020
Note 8 CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	78.09	62.20
Trade receivables which have significant increase in Credit Risk	3.03	2.95
Trade receivable - credit impaired	-	0.06
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(3.03)	(3.01)
	78.09	62.20

	As at 31st March, 2021	As at 31st March, 2020
Note 9 CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS		
Balances with banks		
- In current accounts	0.39	1.02
- FDR with Bank (Bank Deposits with original maturity up to 3 months)	2.06	1.90
Cash on hand	0.24	0.32
	2.69	3.24
For the purpose of cash flow statement, cash and cash equivalents comprise of:		
Balances with banks		
- In current accounts	0.39	1.02
- Bank Deposits with original maturity of upto 3 months	2.06	1.90
Cash on hand	0.24	0.32
	2.69	3.24

	As at 31st March, 2021	As at 31st March, 2020
Note 10 CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances in banks for :		
Unpaid dividend	0.72	0.71
	0.72	0.71

	As at 31st March, 2021	As at 31st March, 2020
Note 11 CURRENT ASSETS - FINANCIAL ASSETS - LOANS		
(a) Loans and advances to related parties		
Unsecured, considered good	300.63	344.99
(b) Other loans		
Unsecured, considered good		
(i) Earnest money deposit	4.40	1.29
(ii) Loans to employees	0.09	0.14
(iii) Loans and advances to other parties	87.84	61.96
(iv) Claims & recoverables	0.54	0.59
	393.50	408.97

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March, 2021	As at 31st March, 2020
Note 12 OTHER CURRENT ASSETS		
Advances other than capital advances		
(a) Other Advances		
(i) Employee Advance	0.04	0.04
(ii) Advances to vendors	129.35	83.20
(b) Other Advances		
(i) Advance royalty paid	0.01	0.39
(ii) Prepaid expenses	1.13	1.22
(iii) Balances with tax authorities	5.02	5.25
(iv) Others	0.01	0.01
	135.56	90.11

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Note 13A EQUITY SHARE CAPITAL				
A Authorised				
Equity Shares of ₹ 10/- each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	3,60,49,235	36.05	3,60,49,235	36.05
	3,60,49,235	36.05	3,60,49,235	36.05

B Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Number of shares outstanding at the beginning of the period	3,60,49,235	36.05	3,60,49,235	36.05
Add: On account of ESOP	-	-	-	-
Number of shares outstanding at the end of the period	3,60,49,235	36.05	3,60,49,235	36.05

C Terms/rights attached to equity shares

The Company has only one class of equity shares having a par-value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the Company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.

D Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	%	No. of Shares	%
Chhatisgarh Investments Limited	1,38,78,760	38.50%	1,38,78,760	38.50%
Sarda Agriculture & Properties Private Limited	26,35,150	7.31%	26,35,150	7.31%

E In the period of five years immediately preceding 31st March, 2021, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash except 70,916 options given to employees under ESOP for subscription of shares @ ₹ 125/ per share.

F There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	(₹ in Crore)	
	As at 31st March 2021	As at 31st March 2020
Note 13 (B) OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
	4.05	4.05
Securities Premium		
Balance as per last financial statements	194.01	194.01
	194.01	194.01
General Reserve		
Balance as per last financial statements	171.83	171.83
	171.83	171.83
Retained Earnings		
Balance as per last financial statements	1,325.13	1,159.34
Add : Profit for the year	296.53	182.31
Remeasurements of the net defined benefit plans	0.96	1.50
Equity Dividend	(18.02)	(18.02)
	1,604.60	1,325.13
Other Comprehensive Income		
Equity instruments through Other Comprehensive Income	0.40	0.40
	0.40	0.40
	1,974.89	1,695.42

- (i) During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (ii) Securities premium is used to record the premium received on issue of shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.
- (iii) General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.
- (iv) The cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognized in fair value of financial assets. The balance of the reserve represents such changes recognized net off amounts re-classified to retained earnings on disposal of such investments.

	Non-Current portion		Current Maturities	
	As at 31st March 2021	As at 31st March 2020	As at 31st March 2021	As at 31st March 2020
Note 14 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS				
Term loans (Secured)				
from banks				
Indian Rupee Loan	218.12	259.07	41.17	25.42
	218.12	259.07	41.17	25.42

1) Nature of security :

- a) Term Loans from Bank are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.
- b) Besides this, the Term Loan from Banks are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda, Mr. Manish Sarda & Mr. Pankaj Sarda.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

2) Repayment terms :

- Rupee term loan of ₹ 147.97 crore (Present Outstanding ₹ 55.46 crore) from Banks is payable in 32 equal quarterly installments starting from June 2016.
- Rupee term loan -II of ₹ 36.91 crore (Present Outstanding ₹ 19.25 crore) from Union Bank of India is payable in 28 equal quarterly installments starting from December 2018.
- Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 91.35 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.
- Rupee term loan of ₹ 50 crore (Present Outstanding ₹ 48 crore) from Axis Bank Limited is payable in 16 equal quarterly installments starting from March 2022.
- Rupee term loan of ₹ 48.13 crore (Present Outstanding ₹ 46.88 crore) from HDFC Bank Limited is payable in 17 equal quarterly installments starting from December 2020.

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 15 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit Received		
Deposits from Vendors	2.93	2.11
Other payables	-	0.05
	2.93	2.16
	As at 31st March 2021	As at 31st March 2020
Note 16 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	42.54	62.14
Deferred tax liability / (assets) during the year on account of timing difference	4.93	(19.60)
Deferred Tax Liabilities / Assets at the end of the year	47.47	42.54
	As at 31st March 2021	As at 31st March 2020
Note 17 PROVISIONS		
Provision for employee benefits	-	-
Provision for Leave encashment	2.42	2.50
	2.42	2.50
	As at 31st March 2021	As at 31st March 2020
Note 18 CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	10.67	90.79
Working capital Buyers Credit loans	-	15.46
	10.67	106.25
From Banks and Financial Institutions (Unsecured)		
From banks	-	-
From Others	-	-
	-	-
	10.67	106.25

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Security

Working Capital loans from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable Plant & Machinery and second charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and land located at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K.Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda.

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 19 CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
(a) Current maturities of long term debt	41.17	25.42
(b) Interest accrued but not due on borrowings	0.12	0.20
(c) Deposits from customers	0.06	0.04
(d) Expenses payable	3.85	3.85
(e) Salary & reimbursements	13.55	11.84
(f) Bill discounting	41.34	40.88
(g) INR payable to bank in forex account	-	0.14
(h) Unpaid Dividends	0.72	0.71
	100.81	83.08

	As at 31st March 2021	As at 31st March 2020
Note 20 OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	12.70	6.45
(b) Deposit from Employees	0.74	1.65
(c) Advances from customers	8.46	1.80
(d) TDS payables	1.07	0.78
	22.97	10.68

	As at 31st March 2021	As at 31st March 2020
Note 21 PROVISIONS		
Provision for employee benefits		
(a) Provision for gratuity	0.48	1.25
(b) Provision for Leave encashment	0.27	0.25
Provision for expenses	4.38	5.07
	5.13	6.57

	2020-21	2019-20
Note 22 REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	232.11	266.98
Ferro Alloys	332.24	362.66
Steel Billets	84.89	85.76
Wire Rod / HB Wire	534.83	462.33
Pellet	332.69	200.98
Power	1.72	2.41
Others	75.60	37.47
Other operating revenues	0.88	5.32
Revenue from Operations	1,594.96	1,423.91

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	2020-21	2019-20
Note 23 OTHER INCOME		
Interest Income	36.84	39.48
Dividend Income		
From Subsidiaries	–	17.74
From Others	0.30	0.30
Net gain on sale of investments	0.43	0.27
Corporate guarantee commission	0.39	0.67
Fair value gain on Financial Instruments at FVTPL	50.33	(10.57)
Share of Profit in Partnership Firm	18.08	12.57
Other non-operating income (net of expenses directly attributable to such income)	0.78	0.28
	107.15	60.74
	2020-21	2019-20
Note 24 COST OF RAW MATERIAL CONSUMED		
Iron Ore	350.83	276.93
Mn Ore	107.66	148.14
Coal	378.83	387.06
Scrap	91.92	75.96
Other Material	24.41	15.33
	953.65	903.42
	2020-21	2019-20
Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished Goods / Semi-finished goods	146.02	133.93
Trading Goods	0.16	0.02
	146.18	133.95
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	133.93	133.77
Trading Goods	0.02	0.04
	133.95	133.81
Increase/(Decrease) in Inventories	12.23	0.14
	2020-21	2019-20
Note 26 EMPLOYEE BENEFIT EXPENSE		
Salaries, incentives & Managerial Remuneration	61.71	61.10
Contributions to -		
Provident fund	3.53	3.63
Superannuation scheme	0.16	0.18
Gratuity fund	1.18	1.27
Staff welfare expenses	1.12	1.79
	67.70	67.97

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Financial Reports

Statutory Reports

Corporate Overview

Note 27 EMPLOYEE BENEFITS

a) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	Gratuity		Leave Encashment	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Actuarial study analysis				
Principal actuarial assumptions				
Discount rate	6.90%	7.00%	6.90%	7.00%
Range of compensation increase	8.00%	8.00%	8.00%	8.00%
Attrition rate:				
Age 21 - 44	5.00%	5.00%	5.00%	5.00%
Age 45 - 59	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	6.90%	7.00%	N/A	N/A
Plan duration	58.00	58.00	58.00	58.00
Components of statement of income statement charge				
Current service cost	1.10	1.11	0.10	0.20
Interest cost	0.06	0.14	0.19	0.23
Recognition of past service cost	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	1.16	1.25	0.29	0.43
Movements in net liability/(asset)				
Net liability at the beginning of the year	1.25	2.27	2.75	2.96
Employer contributions	(1.20)	(1.17)	(0.06)	(0.10)
Total expense recognized in the consolidated statement of profit or loss	1.17	1.25	0.30	0.43
Total amount recognized in OCI	(0.73)	(1.11)	(0.31)	(0.53)
Net liability at the end of the year	0.49	1.24	2.68	2.76
Reconciliation of benefit obligations				
Obligation at start of the year	13.55	13.23	2.75	2.96
Current service cost	1.10	1.11	0.10	0.20
Interest cost	0.95	0.91	0.19	0.23
Benefits paid directly by the Company	(0.47)	(0.60)	(0.06)	(0.10)
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	(0.80)	(1.10)	(0.31)	(0.53)
Actuarial loss				
Defined benefits obligations at the end of the year	14.33	13.55	2.67	2.76
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	0.13	(1.04)	0.02	(0.23)
Actuarial gain/(loss) on account of experience adjustments	(0.92)	(0.06)	(0.33)	(0.30)
Total actuarial gain/(loss) recognized in OCI	(0.79)	(1.10)	(0.31)	(0.53)
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	12.31	10.96	-	-
Interest on plan assets	0.89	0.77	-	-
Contributions made	1.20	1.17	0.06	0.10
Benefits paid	(0.47)	(0.60)	(0.06)	(0.10)
Actuarial (loss)/gain on plan assets	(0.06)	0.01	-	-
Fair value of plan assets at the end of the year	13.87	12.31	-	-

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

b) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Discount rate				
+ 1% discount rate	13.19	12.44	2.45	2.51
- 1% discount rate	15.67	14.84	2.96	3.04
Salary increase				
+ 1% salary growth	15.68	14.85	2.96	3.04
- 1% salary growth	13.16	12.41	2.44	2.50

c) Experience adjustments

	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
Defined benefit obligation	14.34	13.55	2.69	2.75
Fair value of plan assets	13.86	12.31	-	-
(Surplus)/deficit in plan assets	0.48	1.25	2.69	2.75
Experience adjustment on plan liabilities	(0.92)	(0.06)	(0.33)	(0.30)
Actual return on plan assets less interest on plan assets	(0.06)	0.01	-	-

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

	2020-21	2019-20
Note 28 FINANCE COSTS		
Interest expense	29.20	31.72
Other borrowing costs	5.29	3.65
Amortization of ancillary borrowing costs	-	-
Exchange difference to the extent considered as an adjustment to borrowing costs	-	0.33
	34.49	35.70

	2020-21	2019-20
Note 29 OTHER EXPENSES		
Stores & Spares Consumption	51.17	52.28
Power	26.61	14.81
Manufacturing Expenses		
Plant process & services	17.92	17.68
Material handling Expenses	25.05	27.38
Other Manufacturing Expenses	0.22	0.14
Repairs & Maintenance		
Building	2.71	2.32
Plant & Machinery	6.73	6.41
Others	6.28	5.18
Rent	1.41	1.13
Rates & Taxes	13.05	13.50
Insurance Charges	3.48	2.68
Miscellaneous Expenses		
Travelling & Conveyance expenses	3.01	3.71
Legal & Professional Expenses	5.08	6.06

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	2020-21	2019-20
Administrative & Other Expenses	9.63	10.13
Selling Expenses		
Carriage Outward	7.98	12.92
Selling Commission & Brokerage	3.88	4.40
Other Selling Expenses	0.46	0.22
Exchange differences (net)	(3.26)	14.26
Payment to Auditors	0.24	0.24
	181.65	195.45

	2020-21	2019-20
Note 30 PAYMENTS TO THE AUDITOR		
As auditor:		
Audit fee	0.21	0.21
Tax audit fee	0.03	0.03
	0.24	0.24

	2020-21	2019-20
Note 31 EARNINGS PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	296.54	182.31
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS (in Lakh)	360.49	360.49
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS (in Lakh)	360.49	360.39
Basic (₹)	82.26	50.57
Diluted (₹)	82.26	50.57

	2020-21	2019-20
Note 32 OTHER COMPREHENSIVE INCOME		
A(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1.05	1.63
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.08)	(0.13)
B(i) Items that will be reclassified to profit or loss		
Fair valuation of unquoted investments	–	0.04
(ii) Income tax relating to items that will be reclassified to profit or loss	–	(0.01)
Total Other Comprehensive Income	0.97	1.53

Note 33 SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As part of secondary reporting, the Company has no geographical segment by location.

A) Business Segment Primary

	2020-21				2019-20			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,228.19	348.32	3.64	1,580.15	1,036.45	369.33	2.62	1,408.39
Inter segment sales		14.85	203.73	218.58		15.38	202.44	217.82
Others Unallocated				14.81				15.51
Less: Inter segment sales				218.58				217.82
Total Revenue	1,228.19	363.17	207.37	1,594.96	1,036.45	384.71	205.06	1,423.91

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	2020-21				2019-20			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Result								
Segment Result	332.52	37.97	(1.78)	368.71	240.70	22.13	0.50	263.33
Unallocated Expenses net off unallocated income				44.40				0.45
Operating Profit				413.11				263.78
Interest & Forex Fluctuation Loss (Net)				(31.22)				(49.96)
Profit Before Tax & Extraordinary Item				381.89				213.82
Provision for taxation								
For Current Year				80.50				51.25
For Deferred Taxation				4.85				(19.74)
Profit After Taxation				296.54				182.31
Other Information								
Segment Assets	823.19	291.49	107.72	1,222.40	784.35	189.91	134.43	1,108.69
Unallocated Assets				1,367.55				1,273.10
Total Assets				2,589.95				2,381.79
Segment Liabilities	172.90	114.31	32.57	319.78	176.64	76.42	34.58	287.64
Unallocated Liabilities				259.23				362.68
Total Liabilities				579.01				650.32
Capital Expenditure	38.64	13.92	(2.98)	49.58	20.08	1.61	3.49	25.18
Depreciation / Amortization	27.76	4.33	9.32	41.41	29.20	5.30	10.56	45.06
Unallocated Depreciation				6.76				6.28

Note 34 RELATED PARTY DISCLOSURE**Names of related parties and description of relationship**

S. No.	Relationship	Name of Related Parties
1	Subsidiaries	Sarda Energy & Minerals Hongkong Limited, Hongkong Sarda Global Ventures Pte Limited, Singapore Sarda Global Trading DMCC, Dubai Sarda Metals & Alloys Limited Sarda Energy Limited Madhya Bharat Power Corporation Limited Parvatiya Power Limited Natural Resources Energy Private Limited
2	Controlled Entities	Chhattisgarh Hydro Power LLP Sarda Hydro Power LLP Shri Ram Electricity LLP
3	Joint Ventures	Raipur Infrastructure Company Limited Madanpur South Coal Company Limited
4	Related Enterprises where interest of the company/directors exists	Chhattisgarh Investments Limited Geschaft Formulae India Pvt Ltd (Formerly known as Sarda Solution and Technologies Private Limited) Rishabh Mining & Transport Company Private Limited Sarda Dairy & Food Products Limited Earth Stahl & Alloys Private Limited Chhattisgarh Metaliks & Alloys Private Limited Prachi Agriculture & Properties Private Limited Lighthouse Info Systems Private Limited Jai Balaji Enterprises

Notes to Standalone Financial Statements for the year ended 31st March, 2021

S. No.	Relationship	Name of Related Parties
5	Director / Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda
		Mrs. Uma Sarda
		Mr. Pankaj Sarda
		Mr. Padam Kumar Jain (WTD & CFO)
		Ms. Tripti Sinha
		Mr. Gajinder Singh Sahni
		Mr. Jitender Balakrishnan
		Mr. C.K. Lakshminarayanan
		Mr. Asit Kumar Basu
		Mr. Rakesh Mehra
6	Relatives of Directors / KMP's	Mr. Manish Sethi (CS)
		Mrs. Veena Sarda
		Mr. Ghanshyam Sarda
		Mr. Satyanarayan Khator
		Mr. Mahesh Khator
		Mr. Anant Sarda
		Ms. Niharika Jain

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and on arm's length basis. For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) Material Transactions with Related Parties

Particulars	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Loans/Advances Given	244.38 (398.15)	10.55 (30.77)	-	233.23 (263.78)	-	-
Loans/Advances Received Back	295.38 (292.55)	10.55 (36.34)	-	240.55 (306.59)	-	-
Loans/Advances Taken	-	47.37 (5.42)	-	- (0.18)	-	-
Loans/Advances Repaid	-	33.91	-	0.18	-	-
Material Transferred/Sold	31.61 (16.05)	-	-	2.71 (0.85)	-	-
Materials Purchased	22.37 (23.92)	0.01 (0.00)	-	4.32 (6.05)	-	-
Interest Received	14.34 (15.96)	- (0.44)	-	16.21 (16.16)	-	-
Interest Paid	-	0.90	-	0.00 (0.00)	-	0.01 (0.01)
Commission Paid	-	-	-	0.00 (0.04)	-	0.12 (0.09)
Dividend Income	- (17.74)	-	-	-	-	-
Remuneration	-	-	-	-	8.80 (7.08)	0.01 (0.12)

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Particulars	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Rent Paid	-	-	-	1.53	-	0.02
	-	-	-	(1.20)	-	(0.02)
Services Offered	0.57	-	0.04	-	-	-
	(1.15)	-	(0.04)	-	-	-
Services Received	-	-	-	1.94	-	-
	-	-	-	(2.03)	-	-
Corporate Guarantee Given / (received back)	(0.43)	-	-	-	-	-
	(9.63)	-	-	-	-	-
Investments made/Share application money	7.99	5.51	-	-	-	-
	(112.15)	(26.28)	-	-	-	-
Share of Profit	-	18.08	-	-	-	-
	-	(12.57)	-	-	-	-

Note: Figures in bracket represents previous year's figures.

Outstanding as at 31.03.2021

Particulars	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Receivable	177.89	-	-	154.24	0.01	-
	(204.01)	-	-	(146.16)	(0.02)	-
Corporate Guarantee Outstanding	51.64	-	-	-	-	-
	(52.07)	-	-	-	-	-
Investments	725.62	89.14	3.93	-	-	-
	(717.63)	(83.63)	(3.93)	-	-	-
Payables	-	19.72	-	0.96	5.41	0.20
	-	(5.42)	-	(0.82)	(3.78)	(0.20)

Out of the above items, transactions and outstanding in excess of 10% of the total related party transactions are as under:

	2020-21	2019-20
Loans/Advances given		
Sarda Metals and Alloys Limited	148.02	170.42
Chhatisgarh Investments Limited	233.23	263.74
Madhya Bharat Power Corporation Limited	74.58	158.21
Loans/Advances Received Back		
Sarda Metals and Alloys Limited	188.16	150.78
Chhatisgarh Investments Limited	240.55	306.59
Madhya Bharat Power Corporation Limited	90.00	108.24
Loans/Advances Received		
Chhattisgarh Hydro Power LLP	47.37	5.42
Loans/Advances Returned Back		
Chhattisgarh Hydro Power LLP	33.91	-
Materials Transferred/Sold		
Sarda Metals and Alloys Limited	14.94	10.66
Sarda Energy Limited	16.67	5.39
Materials Received/Purchased		
Sarda Metals and Alloys Limited	22.03	23.79
Earth Stahl & Alloys Private Limited	0.15	5.67
Chhattisgarh Metaliks & Alloys Private Limited	3.53	0.18

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	(₹ in Crore)	
	2020-21	2019-20
Interest Received		
Chhatisgarh Investments Limited	16.21	16.16
Parvatiya Power Limited	3.26	2.24
Madhya Bharat Power Corporation Limited	6.66	8.52
Interest Paid		
Mahesh Khator	0.01	0.01
Chhattisgarh Hydro Power LLP	0.90	-
Commission paid		
Earth Stahl & Alloys Private Limited	0.00	0.04
Satyanarayan Khator	0.12	0.09
Remuneration Paid		
Mr. Kamal Kishore Sarda	4.66	4.33
Mr. Pankaj Sarda	3.02	1.77
Dividend Income		
Sarda Energy & Minerals Hongkong Limited	-	17.74
Rent Paid		
Chhatisgarh Investments Limited	0.70	0.74
Rishabh Mining & Transport Company Private Limited	0.83	0.46
Services Offered		
Sarda Metals and Alloys Limited	0.46	0.79
Madhya Bharat Power Corporation Limited	0.11	0.36
Services Received		
Geschaft Formulae India Private Limited	1.94	2.03
Corporate Guarantee Received back		
Sarda Metals and Alloys Limited	0.43	9.63
Investment Made including Share Application		
Madhya Bharat Power Corporation Limited	-	95.74
Chhattisgarh Hydro Power LLP	5.50	26.28
Sarda Global Ventures Pte Limited, Singapore	7.55	14.14
Share of Profit		
Chhattisgarh Hydro Power LLP	18.08	12.57
Outstanding as on		
	31st March, 2021	31st March, 2021
Investments		
Sarda Metals and Alloys Limited	212.61	212.16
Madhya Bharat Power Corporation Limited	399.83	399.83
Chhattisgarh Hydro Power LLP	85.31	79.80
Receivables		
Sarda Metals and Alloys Limited	13.46	39.78
Chhatisgarh Investments Limited	153.57	145.89
Madhya Bharat Power Corporation Ltd.	97.05	106.77
Parvatiya Power Limited	41.75	29.28
Corporate Guarantee		
Sarda Metals and Alloys Limited	51.64	52.07
Payables		
K.K. Sarda (Remuneration)	2.80	2.53
Pankaj Sarda (Remuneration)	2.27	1.03
Chhattisgarh Hydro Power LLP	19.72	5.42

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 35 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, net of advance given and not provided for as at 31st March, 2021 is ₹ 24.96 Crore (31st March, 2020: ₹12.76 Crore).

Note 36 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year is ₹ 5.14 Crore

b) Amount spent during the year on :

(₹ in Crore)

Sl. No.	Particulars	In Cash	Yet to be paid	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	5.37	-	5.37

Note 37 DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006

The Company has certain dues to suppliers registered under Micro, Small & Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSME Act are as follows:

	As at 31.03.2021	As at 31.03.2020
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year		
- Principal amount due to micro and small enterprise	2.13	1.78
- Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.		
- Payment made beyond the Appointed date	-	-
- Interest paid beyond the Appointed date	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note 38 ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. However, in view of higher volume of operations during the year, there was no major impact on financials of the Company for the year ended 31st March, 2021. The Company is taking full measure to protect the health & safety of the employees. Further the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the COVID-19 outbreak on the business and financial position of the Company is not likely to be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Company. The

Notes to Standalone Financial Statements for the year ended 31st March, 2021

management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company continues to make repayment of loan on due dates and has not availed the moratorium in repayment of loans granted by the banks and including interest thereon. The Company is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

Financial Reports

Statutory Reports

Corporate Overview

Note 39 NEW AND AMENDED STANDARDS

Ministry of Corporate Affairs notifies amendments to the existing standards viz INDAS - 116, 103, 1, 8, 107 and 109. There is no such impact of amendments which would have been applicable from 1st April' 2020. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Note 40 PROPOSED DIVIDEND

The Board of Directors has recommended Equity dividend of ₹ 7.50 per share for the financial year 2020-21. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

	(₹ in Crore)	
	Year ended 31st March 2021	Year ended 31st March 2020
Note 41 CONTINGENT LIABILITIES		
Guarantees given by Company's bankers	193.07	69.93
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	-	0.43
Bills discounted with the Company's bankers under Letters of Credit	53.28	40.97
Corporate Guarantee given to HDFC Bank Limited for disbursement of term loan to Sarda Metals and Alloys Limited (SMAL), wholly owned subsidiary of the Company	51.64	51.64
Claims against the Company not acknowledged as debt & disputed in appeals	17.59	6.42
Excise Duty & Service Tax Demand	18.54	16.45
VAT, CST & Entry Tax	3.09	9.45
Income Tax	8.10	13.13
Energy Development Cess	70.03	66.69
Relinquishment Charges of 156 MW LTA for Kolam Power Plant	97.20	97.20

i) Guarantee given to Assistant Commissioner of Customs NIL (P.Y. ₹ 0.43 Crore) on behalf of Sarda Metals and Alloys Limited, wholly owned subsidiary of the Company for fulfillment of Export Obligation against import of capital goods under Export Promotion Capital Goods Scheme.

ii) Excise Duty & Service Tax

- a) Excise duty demand of ₹ 0.21 Crore (P.Y. ₹ 0.21 Crore) raised on account of Cenvat credit availed, which the Company has disputed in High Court, Jabalpur (MP).
- b) Excise Duty demand of ₹ 2.16 Crore (P.Y. ₹ 0.08 Crore) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- c) Service Tax demand of ₹ 16.17 Crore (P.Y. ₹ 16.17 Crore) raised on account of Service Tax on amount received in an international arbitration case settled out of court, which the Company has disputed and has filed appeal before Central Excise & Service Tax Appellate Tribunal (CESTAT).

iii) Value Added Tax/Central Sales Tax/Entry Tax

Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 3.09 Crore (P.Y. ₹ 9.22 Crore) are pending in appeal against assessment of various years.

- iv) Energy Development Cess of ₹ 70.03 Crore (P.Y. ₹ 66.69 Crore) net of amount deposited ₹ 2.94 Crore (P.Y. ₹ 2.94 Crore) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to December 2020. The Honorable High Court of Chhattisgarh has held the levy of Energy Development Cess as unconstitutional vide its Order dated 20th June 2008. The State Govt. has filed a Special Leave Petition before the Honorable Supreme Court.
- v) Disputed in appeals includes a claim against SEML for ₹ 0.45 Crore. Against this, SEML has filed a counter claim of ₹ 4.53 Crore.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

- vi)** Bank Guarantee of ₹ 5 Crore (P.Y. ₹ 5 Crore) given as security deposit against contract for disposal of old power project awarded to the Company was invoked by M/s. West Bengal Power Development Corporation Limited. The Company has challenged the wrongful invocation in the High court of Kolkata. WBPDC has on the orders of the Hon'ble High Court deposited the amount of bank guarantee with the Court. The Company has been legally advised that it has a strong case in its favour, hence no liability provided.
- vii)** ₹ 2.68 Crore (P.Y. ₹ 2.68 crore) for the Assessment Year 2017-18 and ₹ 5.42 crore (P.Y. ₹ 10.45 crore) for the Assessment Year 2018-19 on account of partial allowance of deduction claimed under Section 80IA and other disallowances made by Assessing Office as per order passed under Section 143(3) of the Income Tax Act, 1961. For Assessment year 2017-18 the Company has filed appeal before Commissioner of Income Tax (Appeal) Bhopal and the matter is pending.
- viii)** Relinquishment charges of 156 MW LTA for Kolam Power Plant, Relinquishment Charges in accordance with the directions under petition no 92/MP/2015 vide order dated 08-03-2019 is ₹ 97.20 Crore. Petition filed before the Hon'ble Tribunal for Electricity at New Delhi against the Impugned Order dated 08.03.2019 read with the corrigendum dated 10.05.2019 passed by the Central Electricity Regulatory Commission in the Petition No. 92/MP/2015. Matter is pending before the Hon'ble Tribunal for Electricity at New Delhi.

Note 42 CONTINGENT ASSET

Company has various pending insurance claims in lieu of machine break down adding up to ₹ 0.91 Crore as on 31st March, 2021.

Note 43 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Market Risk

- Interest rate risk
- Currency risk
- Price risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade Receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	(₹ in Crore)	
	31st March, 2021	31st March, 2020
Trade and other receivables	78.09	62.20
Loans and advances	395.02	411.00
Cash and cash equivalents	2.69	3.24
Impairment losses		
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	3.01	2.71
Provided during the year	0.02	0.30
Closing balance	3.03	3.01
Ageing analysis		
Upto 3 months	65.12	62.03
3-6 months	12.93	0.07
More than 6 months	3.07	3.11
	81.12	65.21

No significant changes in estimation techniques or assumptions were made during the reporting period

Liquidity Risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing Arrangements

The Company has access to following undrawn borrowing facilities and liquid investments at the end of the reporting period:

	31st March, 2021	31st March, 2020
Term Loan - Union Bank of India-TG3	6.13	6.13
Cash Credit facility	177.00	65.40
Current investments	92.23	41.90

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31st March, 2021	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	51.83	218.12	-	269.95
Trade payables	164.50	-	-	164.50
Security deposits	0.06	2.93	-	2.99
Other financial liabilities	59.59	-	-	59.59
	275.98	221.05	-	497.03
As at 31st March, 2020	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	131.67	259.07	-	390.74
Trade payables	137.47	-	-	137.47
Security deposits	0.04	2.16	-	2.20
Other financial liabilities	57.63	-	-	57.63
	326.81	261.23	-	588.04

Interest Rate Risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely affect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

MARKET RISK**a) Interest rate risk exposure**

	31st March, 2021	31st March, 2020
Variable rate borrowings	269.96	304.62
Fixed rate borrowings	-	86.11
	-	(0.01)

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	31st March, 2021	31st March, 2020
Interest rates - increase by 70 basis points	(0.56)	(1.43)
Interest rates - decrease by 70 basis points	0.56	1.43

CURRENCY RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Pariiculars	Currency	2020-21	2019-20
Borrowings	USD	-	0.20
Trade Payables	USD	1.34	1.21
Trade Receivables	USD	-	-
Forward Contract for Payables	USD	-	0.10

currency in crores

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

	Impact on profit after tax	
	31st March, 2021	31st March, 2020
Foreign exchange rates - increase by 1%	(0.98)	(1.15)
Foreign exchange rates - decrease by 1%	0.98	1.15

PRICE RISK

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 1.85 Crore (2019-20: ₹ 0.84 Crore); an equal change in the opposite direction would have decreased profit and loss. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 0.028 Crore (2019-20: ₹ 0.028 Crore); an equal change in the opposite direction would have decreased profit and loss.

Note 44 CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities and secured debentures;
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions.
- safeguard its ability to continue as a going concern; and
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

	31st March, 2021	31st March, 2020
Total Borrowings	269.96	390.74
Less : Cash and cash equivalent	2.69	3.24
Net debt	267.27	387.50
Total equity	2,010.94	1,731.47
Net debt to equity ratio	0.13	0.22

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 45 FINANCIAL INSTRUMENTS**A. Accounting classification and fair values**

31st March, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	3.41	3.41				-
Non-current investments								
Unquoted Equity Investments		1.45	818.70	820.15		1.45		1.45
Quoted Mutual Funds	0.20			0.20	0.20			0.20
Current investments								
Quoted Equity Investments	92.23			92.23	92.23			92.23
Financial Asset: Loans & others	-		307.18	307.18				-
Trade and other receivables	-		78.09	78.09				-
	92.43	1.45	1,207.38	1,301.26	92.43	1.45	-	93.88
Financial liabilities								
Long term borrowings			218.12	218.12				-
Short term borrowings			10.67	10.67				-
Trade and other payables			164.50	164.50				-
Other financial liabilities	-		103.74	103.74	-			-
	-	-	497.03	497.03	-	-	-	-

A. Accounting classification and fair values

31st March, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	3.95	3.95				-
Non-current investments								
Unquoted Equity Investments	-	1.45	805.20	806.65		1.45		1.45
Quoted Mutual Funds	0.11		-	0.11	0.11			0.11
Current investments								
Quoted Equity Investments	41.90	-	-	41.90	41.90			41.90
Financial Asset: Loans & others	-		411.00	411.00	-			-
Trade and other receivables			62.20	62.20				-
	42.01	1.45	1,282.35	1,325.81	42.01	1.45	-	43.46
Financial liabilities								
Long term borrowings			259.07	259.07				-
Short term borrowings			106.25	106.25				-
Trade and other payables			137.47	137.47				-
Other financial liabilities	0.14		85.11	85.25	0.14			0.14
	0.14	-	587.90	588.04	0.14	-	-	0.14

* The carrying value and the fair value approximates.

Notes to Standalone Financial Statements for the year ended 31st March, 2021

B. Measurement of fair values

The table shown below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.
- 4) The fair values of the unquoted equity shares designated at FVTOCI have been estimated by using the most recent purchase price of such shares. (level 2).

Note 46 INCOME TAX EXPENSE

i) Income tax recognized in profit or loss	(₹ in Crore)	
	31st March, 2021	31st March, 2020
a) Current tax expense		
Current year	80.58	52.22
Adjustment for prior periods	(0.08)	(0.97)
Deferred tax expense		
Origination and reversal of temporary differences	4.85	(19.74)
Total income tax expense	85.35	31.51
ii) Income tax recognized in OCI		
	31st March, 2021	31st March, 2020
Remeasurements of defined benefit plans and fair valuation of Equity Instruments	(0.08)	(0.14)
Total income tax expense relating to OCI items	(0.08)	(0.14)
b) Reconciliation of tax expense and accounting profit		
	31st March, 2021	31st March, 2020
Accounting profit before tax from continuing operations	381.89	213.82
Accounting profit before tax from discontinued operations		
Accounting profit before tax	381.89	213.82
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	96.11	53.81
Adjustments in respect of current income tax of previous years	(0.08)	(0.97)
Exp Allowable for tax purpose	(29.72)	(20.88)
Expense not allowed for tax purpose	14.08	17.32

Notes to Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	31st March, 2021	31st March, 2020
Deduction under Chapter VIA	-	(1.16)
Income not considered for tax purpose other than PGBP	0.10	0.09
Income Taxable at special rate of tax	-	3.04
Tax Differences due to new Income Tax rate	-	20.54
Other temporary differences	4.85	(19.74)
Effective income tax rate	22.35%	24.34%
Tax Differences due to new Income Tax rate	-	(20.54)
Income tax reported before Adjustment	85.36	52.05
Income tax reported in the statement of profit and loss	85.36	31.51
	85.36	31.51
	31st March, 2021	31st March, 2020
c) Deferred tax assets and liabilities		
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	0.46	(20.46)
Expenses allowed on payment basis	0.02	0.31
DTA impact on indexation of land	(0.66)	(0.82)
DTA impact on net movement, Valuation & others	5.11	1.37
	4.93	(19.60)
	31st March, 2021	31st March, 2020
d) Reconciliation of deferred tax assets/ Liabilities		
Opening balance as at 1st April	42.54	62.14
Tax income/expense during the period recognized in profit or loss	4.93	(19.60)
Closing balance	47.47	42.54

Note 47 DISCLOSURE PURSUANT TO REGULATION 34(3) AND PARA A OF SCHEDULE V OF SEBI (LODR), REGULATIONS, 2015**Loan and advances in the nature of loans given to subsidiaries, associates and others**

	Relationship	2020-21		
		Amount outstanding as at 31.03.2021 ₹ in Crore	Maximum amount outstanding during the year ₹ in Crore	Investment by the loanee in the shares of the Company No of Shares
Loans where there is no repayment schedule:				
Sarda Metals & Alloys Limited	Subsidiary	1.39	45.88	
Parvatiya Power Limited	Subsidiary	41.75	46.51	
Madhya Bharat Power Corporation Limited	Subsidiary	97.35	106.61	
Sarda Energy Limited	Subsidiary	25.63	28.12	
Mosh Varaya Infrastructure Limited	Others	23.19	39.32	
Kamal Trading Company	Others	-	-	
Chhatisgarh Investments Limited	Others	154.22	246.42	1,38,78,760
Sarda Power & Steel Limited	Others	14.16	14.16	
Orient Press Limited	Others	3.00	11.00	
B K Infrastructure Private Limited	Others	14.91	14.91	
Maneesh Pipes Private Limited	Others	-	6.19	
Simplex Prefab Infrastructure (India) Private Limited	Others	-	0.46	
Shree Pariyojna Nirman Limited	Others	-	0.50	
Continental Jeweltch Mining Private Limited	Others	1.10	1.10	

Notes to Standalone Financial Statements for the year ended 31st March, 2021

	Relationship	2020-21		
		Amount outstanding as at 31.03.2021 ₹ in Crore	Maximum amount outstanding during the year ₹ in Crore	Investment by the loanee in the shares of the Company No of Shares
Sameer Dube	Others	-	0.21	
Shabro Metallic Private Limited	Others	-	2.02	
Neha Devcon Private Limited	Others	0.70	0.70	
Aarti Sponge And Power Limited	Others	0.59	0.84	
Raj Engineering Works	Others	-	0.02	
Aryan Infra Services	Others	0.09	0.15	
Arihant Infrastructure	Others	0.03	0.13	
IA Hydro Energy Private Limited	Others	30.08	30.08	
Loans where there no repayment schedule and no interest is charged:				
Natural Resources Energy Private Limited	Subsidiary	-	0.08	

The above loans were given for the business activities of the recipients and have been so utilized by them.

Note 48

Exceptional items of ₹14.52 Crore represents impairment loss on discarding of Capital Work-in Progress.

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Independent Auditor's Report

To the Members of
Sarda Energy & Minerals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sarda Energy & Minerals Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company as at 31st March, 2021, of consolidated profit (including total comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance but does not include consolidated financial statements and our auditors report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore key audit matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹ 2,675.11 crore as at 31st March, 2021, total revenues of ₹ 656.81 crore, and net cash flows amounting to ₹ 91.13 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net loss of ₹ 3.99 crore and the Group's share of total comprehensive loss of ₹ 4.03 crore for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of one associates and one joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities— Refer Note 40 to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For **O. P. Singhania & Co.**
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961
UDIN: 21076961AAAABX7499

Raipur, 22nd May, 2021

Annexure - A to the Independent Auditors' Report

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of **Sarda Energy & Minerals Limited** (the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of

Annexure - A to the Independent Auditors' Report

changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **O. P. Singhania & Co.**
(ICAI Firm Regn. No. 002172C)
Chartered Accountants

per Sanjay Singhania
Partner

Membership No.076961
UDIN: 21076961AAAABX7499

Raipur, 22nd May, 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Crore)

	Note	As at 31.03.2021	As at 31.03.2020
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	2	1,172.36	1,209.26
(b) Capital work-in-progress	2	1,619.00	1,364.82
(c) Investment Property	2	52.88	51.78
(d) Goodwill on Consolidation		30.52	30.52
(e) Other Intangible Assets	2	30.96	31.45
(f) Intangible Assets under development		0.41	8.94
(g) Investment in Associates and Joint Ventures	3 (a)	27.77	29.78
(h) Financial Assets			
(i) Investments	3 (b)	23.62	21.90
(ii) Loans	4	1.80	2.97
(g) Other Non-current Assets	5	62.02	46.48
		3,021.34	2,797.90
(2) Current Assets			
(a) Inventories	6	578.96	500.76
(b) Financial Assets			
(i) Investments	7	214.76	139.18
(ii) Trade receivables	8	138.24	123.89
(iii) Cash & cash equivalents	9	48.72	140.98
(iv) Bank balances other than (iii) above	10	48.86	23.66
(v) Loans	11	307.65	259.54
(c) Current Tax Assets (net)		0.56	1.12
(d) Other Current Assets	12	162.33	114.95
		1,500.08	1,304.08
TOTAL ASSETS		4,521.42	4,101.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13(a)	36.05	36.05
(b) Other Equity	13(b)	2,185.20	1,833.65
Equity Attributable to owners of the company		2,221.25	1,869.70
Non Controlling Interests		100.84	100.46
Total Equity		2,322.09	1,970.16
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,492.62	1,408.34
(ii) Other financial liabilities	15	7.83	27.56
(b) Provisions	16	9.07	8.91
(c) Deferred Tax Liabilities (Net)	17	85.13	60.90
		1,594.65	1,505.71
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	108.29	215.42
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises		5.21	2.11
(b) Total outstanding dues of creditors other than micro and small enterprises		200.14	211.55
(iii) Other financial liabilities	19	250.62	169.51
(b) Other Current Liabilities	20	28.15	19.21
(c) Provisions	21	6.09	7.46
(d) Current Tax Liabilities (net)		6.18	0.85
		604.68	626.11
TOTAL EQUITY AND LIABILITIES		4,521.42	4,101.98

Significant Accounting Policies

1

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2021

(₹ in Crore)

	Note	Year Ended 31.03.2021	Year Ended 31.03.2020
I. Revenue from operations	22	2,198.81	2,000.15
II. Other income	23	144.46	(16.93)
III. Total Revenue (I + II)		2,343.27	1,983.22
IV. Expenses			
Cost of materials consumed	24	1,326.15	1,233.10
Purchases of Stock-in-Trade		21.33	53.04
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(0.39)	6.51
Employee benefits expense	26	88.67	87.79
Finance costs	27	79.10	82.48
Depreciation and amortization expense	2	75.05	77.92
Other expenses	28	243.49	263.49
Total Expenses		1,833.40	1,804.33
V. Profit before Exceptional Items and Tax (III - IV)		509.87	178.89
VI. Exceptional items (Income) / Expense		14.52	-
VII. Profit Before Tax (V - VI)		495.35	178.89
VIII. Tax expense			
(1) Current tax		89.48	52.86
(2) Deferred tax		25.49	(9.51)
IX. Profit for the year before share of profit of Joint Ventures & Associates (VII - VIII)		380.38	135.54
X Add: Share of Profit of Joint Ventures & Associates		(3.96)	(7.09)
XI. Profit for the year (IX - X)		376.42	128.45
XII. Other comprehensive income for the year, net of tax	29		
Items that will not be reclassified to profit or loss		1.13	1.47
Income tax relating to items that will not be reclassified to profit or loss		(0.10)	(0.08)
Items that will not be reclassified to profit or loss		(3.55)	(1.70)
Income tax relating to items that will not be reclassified to profit or loss		1.24	0.57
XIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		375.14	128.71
XIV. Net Profit /(loss) attributable to			
a/ Owner of the Company		374.89	126.34
b/ Non Controlling Interest		1.53	2.11
XV. Total Comprehensive income /(loss) attributable to			
a/ Owner of the Company		374.76	126.94
b/ Non Controlling Interest		0.38	1.77
XVI. Earnings per equity share:	30		
Basic		104.00	35.05
Diluted		104.00	35.05

Significant Accounting Policies

1

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31st March, 2021

(₹ in Crore)

a Equity Share Capital			
For the year ended 31st March, 2020	Balance at April 1, 2019	Changes in equity share capital during the year	Balance at March 31, 2020
	36.05	-	36.05
For the year ended 31st March 2021	Balance at April 1, 2020	Changes in equity share capital during the year	Balance at March 31, 2021
	36.05	-	36.05

b Other Equity

	Reserves and Surplus				OCI Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of the foreign operations	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance as of 1st April, 2019	4.05	194.03	171.83	1,346.27	(4.55)	10.70	1,722.33
Other Comprehensive Income				0.92	(0.32)		0.60
Addition during the year						2.40	2.40
Profit for the year				126.34			126.34
Dividends & Tax				(18.02)			(18.02)
Balance as of 31st March, 2020	4.05	194.03	171.83	1,455.51	(4.87)	13.10	1,833.65
Balance as of 1st April, 2020	4.05	194.03	171.83	1,455.51	(4.87)	13.10	1,833.65
Addition / (Deletion) during the year			-				-
Share based payment to employees							-
Other Comprehensive Income				1.05	(1.18)		(0.13)
ESOP Option Added/(lapsed)							-
Addition / (Deletion) during the year	-	-				(5.19)	(5.19)
Profit for the year				374.89			374.89
Dividend & Tax				(18.02)			(18.02)
Balance as of 31st March, 2021	4.05	194.03	171.83	1,813.43	(6.05)	7.91	2,185.20

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Crore)

	Year ended 31.03.2021	Year ended 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit & Loss	495.35	178.89
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	75.05	77.92
Finance Costs	79.10	82.48
Share of Profit of joint ventures	(3.96)	(7.09)
Loss pertaining to scraping of assets	0.76	3.22
Exchange differences on translation of assets & liabilities	(14.19)	7.90
Net (Gain)/Loss on investments pertaining to Fair valuation	(93.56)	40.08
Interest Income	(31.36)	(21.14)
Dividend income	(1.64)	(1.40)
Amortization of Capital Subsidy	(0.25)	(0.05)
(Profit) / Loss on sale of investments	(15.50)	3.28
(Profit) / Loss on sale of Property, Plant & Equipment	3.27	(2.98)
Effect of exchange difference on translation of subsidiaries	(15.81)	2.40
Allowance for credit losses on financial assets	0.39	(0.06)
Impairment loss on discarding of CWIP	14.52	-
Operating Profit before working capital changes	492.17	363.45
Changes in assets and liabilities		
Trade Receivables	(14.10)	(30.71)
Inventories	(78.20)	(61.27)
Trade Payables	3.75	26.42
Loans and advances and other assets	(147.31)	84.65
Liabilities and provisions	16.92	17.02
	273.23	399.56
Income Tax Paid	(84.36)	(63.42)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	188.87	336.14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed Assets	(303.97)	(358.65)
Sale of Property, Plant & Equipment	1.31	6.27
Investment made in Joint Venture, MFs & Others	(5.29)	(19.41)
Investment liquidated in Joint Venture, MFs & Others	48.43	9.05
Loan repaid by/(given to) related & others parties	58.44	(25.21)
Interest received	10.76	4.74
Dividend received	1.64	1.40
Capital Subsidy received	2.50	0.05
Change in non-controlling interest	(0.07)	(32.83)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(186.25)	(414.59)

Consolidated Cash Flow Statement for the year ended 31st March, 2021

(₹ in Crore)

	Year ended 31.03.2021	Year ended 31.03.2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	175.09	453.47
Repayment of long term borrowings	(71.95)	(109.92)
Short term borrowings (net)	(83.49)	(44.04)
Interest Paid	(71.31)	(82.61)
Dividend & dividend tax paid	(18.02)	(18.02)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(69.68)	198.88
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(67.06)	120.43
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	163.92	43.49
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	96.86	163.92
Supplementary Information		
Restricted Cash Balance	48.86	23.66
Notes		
(a) Cash and cash equivalent include the following :		
Cash on Hand	0.44	0.39
Balances with banks	96.42	163.53
	96.86	163.92
(b) Previous year figures have been recast/restated wherever necessary.		
(c) Figures in brackets represent outflows.		

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Significant accounting policies on consolidated financial statements

1.1 Basis of Preparation of consolidated financial statements:

The consolidated financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

1.2 Basis of Consolidation

The Consolidated Financial Statements comprise individual financial statements of Sarda Energy & Minerals Limited, its subsidiaries, associates and jointly controlled entities as on 31st March, 2021. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis:

- i) The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with (Ind AS) 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

The assets and liabilities of foreign subsidiaries are translated at year end exchange rates and all other items in Statement of Profit and Loss are translated at average annual rate. The resultant gains and losses are shown separately as Foreign Currency Translation Reserve under the head Other Equity in the consolidated financial statements.

The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.

- ii) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as 'Goodwill' being an asset in the consolidated financial statements. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head Other Equity in the consolidated financial statements.

- iii) Investment in Associates and Joint Ventures have been accounted under the equity method as per Ind AS 28 - Investments in Joint Ventures.

Under the equity method, an investment in Associates and Joint Ventures are initially recognized at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognized in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

Unrealized gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

- iv) The Audited financial statements of the subsidiaries and the jointly controlled entities used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to 31st March, 2021. The financial statements of an associate has been audited up to 31st December, 2020 and the period from 1st January to 31st March, 2021 was unaudited considered in the consolidated financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

- v) Non Controlling Interest's share of profit/loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- vi) Non-controlling interests in the net assets of consolidated subsidiaries is identified and is presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:
 - (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - (b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence

1.3 Other significant accounting policies

- i) Land-Right to use will be amortized over a period of 35 years from the date of commercial operation of the project in line with CERC Tariff Regulations notified for tariff fixation.

- ii) **Service Concession Agreement**

Specific Hydro Power Project of the Group recognizes an intangible asset arising from Service concession agreements to the extent it has a right to charge for use of concession infrastructure as per Appendix A of IND AS 11. Such intangible asset is measured at cost less any accumulated amortization.

- iii) **Revenue - Service Concession Arrangements**

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period the services are rendered by the group.

- iv) **Free of Cost Materials issued to the Contractor**

Materials for the purpose of being used in specific Hydro Power project of the Group are recognized at purchase cost by the Company. Since they are to be used in the project construction, they are immediately issued at cost to Contractor. Therefore no materials stock is separately disclosed in the Financial statements on the reporting date, as their cost forms part of the carrying value of Capital Work in Progress as soon as they are procured and issued. Materials issued to the Contractor and lying with it are reconciled periodically and differences identified, if any, are recovered from the Contractor or recognized appropriately according to the nature of difference and as per contractual obligations.

The rest of the Accounting Policies followed by the Group are set out under "Significant Accounting Policies" as given in the Parent Company's standalone financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 2 PROPERTY, PLANT & EQUIPMENT

	Gross Block			As on 31.03.2021	Depreciation			As on 31.03.2021	Net Block	
	As on 01.04.2020	Addition during the year	Transfer / Sale / Adjustment		Up to 01.04.2020	Depreciation for the year	Transfer / Adjustment		As on 31.03.2021	As on 31.03.2021
Freehold Land	29.03	-	-	29.03	-	-	-	-	29.03	29.03
Leasehold Land	10.41	-	-	10.41	0.62	0.12	(0.02)	0.76	9.65	9.79
Building	271.73	3.27	-	275.00	61.71	11.31	-	73.02	201.98	210.02
Plant & Equipment	1,231.98	38.16	8.18	1,261.96	281.10	59.92	3.52	337.50	924.46	950.08
Furniture, Fixture & Equipments	9.67	0.92	0.36	10.23	5.89	1.20	0.33	6.76	3.47	3.78
Vehicles	12.35	0.42	2.90	9.87	6.59	1.57	2.06	6.10	3.77	5.76
	1,565.17	42.77	11.44	1,596.50	355.91	74.12	5.89	424.14	1,172.36	1,209.26
Depreciation taken to Preoperative Expenses						0.50				
Net Depreciation during the year						73.62				
Capital work-in- progress				1,619.00		-			1,619.00	1,364.82
INVESTMENT PROPERTY										
Freehold Land - IP	40.41	-	-	40.41	-	-	-	-	40.41	40.41
Building - IP	12.40	1.36	-	13.76	1.04	0.25	-	1.29	12.47	11.37
	52.81	1.36	-	54.17	1.04	0.25	-	1.29	52.88	51.78

The company has given certain investment properties on operating lease arrangements for a period upto 11 months and are cancellable in nature.

OTHER INTANGIBLE ASSETS	Gross Block			As on 31.03.2021	Depreciation			As on 31.03.2021	Net Block	
	As on 01.04.2020	Addition during the year	Transfer / Sale / Adjustment		Up to 01.04.2020	Depreciation for the year	Transfer / Adjustment		As on 31.03.2021	As on 31.03.2021
Computer Software	1.88	0.35	-	2.23	1.28	0.14	-	1.42	0.81	0.60
Minig Rights & Development	3.08	-	-	3.08	0.93	0.19	-	1.12	1.97	2.15
Rights to use land	32.82	0.33	-	33.15	4.12	0.85	-	4.97	28.18	28.70
Total	37.78	0.68	-	38.46	6.33	1.17	-	7.50	30.96	31.45
Intangible Assets under development	-	-	-	0.41	-	-	-	-	0.41	8.78

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 2 PROPERTY, PLANT & EQUIPMENT

	Gross Block			Depreciation				Net Block		
	As on 01.04.2019	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2020	Up to 01.04.2019	Depreciation for the year	Transfer / Adjustment	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
Freehold Land	29.03	-	-	29.03	-	-	-	-	29.03	29.03
Leasehold Land	10.37	0.04	-	10.41	0.48	0.12	(0.02)	0.62	9.79	9.88
Building	264.72	7.01	-	271.73	49.52	12.19	-	61.71	210.02	215.19
Plant & Equipment	1,205.18	31.32	4.52	1,231.98	220.89	61.44	1.24	281.10	950.88	984.26
Furniture, Fixture & Equipments	8.46	1.35	0.14	9.67	4.95	1.02	0.08	5.89	3.78	3.51
Vehicles	12.08	1.12	0.85	12.35	5.08	2.09	0.58	6.59	5.76	7.00
	1,529.84	40.84	5.51	1,565.17	280.92	76.86	1.88	355.90	1,209.26	1,248.88
Depreciation taken to Preoperative Expenses						0.37				
Net Depreciation during the year						76.49				
Capital work-in- progress	-	-	-	1,364.82					1,364.82	775.00
INVESTMENT PROPERTY										
Freehold Land-IP	40.41	-	-	40.41	-	-	-	-	40.41	40.41
Admin Bidg- IP	12.40	-	-	12.40	0.82	0.21	-	1.04	11.37	11.58
	52.81	-	-	52.81	0.82	0.21	-	1.04	51.78	51.99

The company has given certain investment properties on operating lease arrangements for a period upto 11 months and are cancellable in nature.

OTHER INTANGIBLE ASSETS	Gross Block			Depreciation				Net Block		
	As on 01.04.2019	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2020	Up to 01.04.2019	Depreciation for the year	Transfer / Adjustment	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
Computer Software	1.88	-	-	1.88	1.10	0.18	-	1.28	0.60	0.78
Minig Rights & Development	3.08	-	-	3.08	0.74	0.19	-	0.93	2.15	2.34
Rights to use land	32.82	-	-	32.82	3.27	0.85	-	4.12	28.70	29.55
Total	37.78	-	-	37.78	5.11	1.22	-	6.33	31.45	32.67
Intangible Assets under development	-	-	-	8.94	-	-	-	-	8.94	8.46

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

	(₹ In Crore)	
	As at 31st March 2021	As at 31st March 2020
Note 3 NON CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
(a) Investment in Joint Ventures and Associates		
Using equity method	27.77	29.78
	27.77	29.78
(b) Investments		
Carried at FVTOCI		
Investments in other companies in Unquoted Equity Instruments	23.42	21.79
Carried at FVTPL		
Investment in Mutual Fund	0.20	0.11
	23.62	21.90
	As at 31st March 2021	As at 31st March 2020
Note 4 NON CURRENT ASSETS - FINANCIAL ASSET - LOANS		
Security Deposits		
Unsecured, considered good	1.80	2.97
	1.80	2.97
	As at 31st March 2021	As at 31st March 2020
Note 5 OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	26.78	27.07
(b) Advances other than capital advances		
Unsecured, considered good		
Security deposits and others	22.90	7.96
Pre Paid Expenses	12.34	11.45
	62.02	46.48
	As at 31st March 2021	As at 31st March 2020
Note 6 INVENTORIES		
(valued at lower of cost and net realisable value)		
(a) Raw Material	347.69	277.80
(b) Finished / semi finished goods	187.47	187.23
(c) Stock-in-Trade	0.16	0.02
(d) Stores and spares	43.64	35.71
	578.96	500.76
	As at 31st March 2021	As at 31st March 2020
Note 7 CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
Carried at FVTPL		
(i) Investments in Equity Instruments in other Companies (Quoted)	92.23	41.91
(ii) Investments held for trading	122.53	97.27
	214.76	139.18

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 8 CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	1.51	16.65
Trade receivables considered good - Unsecured	136.43	106.63
Trade receivables which have significant increase in Credit Risk	3.63	3.56
Trade receivable - credit impaired	-	0.06
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(3.33)	(3.01)
	138.24	123.89
Note 9 CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS		
Balances with banks		
In current accounts	46.23	6.90
Deposits with Banks-Maturity for less than 3 months	2.05	22.64
Liquid Mutual Fund Investment	-	111.05
Cash on hand	0.44	0.39
	48.72	140.98
Note 10 CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS		
Fixed Deposits with Banks-Maturity for more than 3 months and less than 12 months	48.14	22.95
Unpaid dividend	0.72	0.71
	48.86	23.66
Note 11 CURRENT ASSETS - FINANCIAL ASSETS - LOANS		
(a) Loans and advances to related parties		
Considered good - Unsecured	175.78	139.98
(b) Other loans		
Considered good - Unsecured		
(i) Earnest money deposit	4.40	1.30
(ii) Loans to employees	0.26	0.36
(iii) Loans and advances to other parties	106.29	104.25
(iv) Claims & recoverables	20.92	13.65
	307.65	259.54

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March, 2021	As at 31st March, 2020
Note 12 OTHER CURRENT ASSETS		
Advances other than capital advances		
Unsecured, considered good		
(i) Employee Advance	0.04	0.04
(ii) Advances to vendors	145.24	94.92
(iii) Advance royalty paid	0.01	0.39
(iv) Prepaid expenses	3.52	3.71
(v) Balances with revenue authorities	10.84	13.93
(vi) Others	2.68	1.96
	162.33	114.95

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares.	₹ in Crore	No. of Shares	₹ in Crore
Note 13A EQUITY SHARE CAPITAL				
A Authorised				
Equity Shares of ₹ 10/- each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	3,60,49,235	36.05	3,60,49,235	36.05
	3,60,49,235	36.05	3,60,49,235	36.05

B Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	₹ in Crore	No. of Shares	₹ in Crore
Number of shares outstanding at the beginning of the period	3,60,49,235	36.05	3,60,49,235	36.05
Add: Increased during the year	-	-	-	-
Less: Decreased during the year	-	-	-	-
Number of shares outstanding at the end of the period	3,60,49,235	36.05	3,60,49,235	36.05

C Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the Company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.

D Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	%	No. of Shares	%
Chhatisgarh Investments Limited	1,38,78,760	38.50%	1,38,78,760	38.50%
Sarda Agriculture & Properties Private Limited	26,35,150	7.31	26,35,150	7.31%

E In the period of five years immediately preceding 31st March 2021, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash except 70,916 options given to employees under ESOP for subscription of shares @ ₹ 125/ per share.

F There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 13 (B) OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
	4.05	4.05
Securities Premium		
Balance as per last financial statements	194.03	194.03
	194.03	194.03
General Reserve		
Balance as per last financial statements	171.83	171.83
	171.83	171.83
Exchange differences on translating the financial statements of the foreign operations-		
Balance as per last financial statements	13.10	10.70
Addition / (deduction) during the year	(5.19)	2.40
	7.91	13.10
Retained earnings		
Balance as per last financial statements	1,455.51	1,346.27
Add : Profit for the year	374.89	126.34
Remeasurements of the net defined benefit plans	1.05	0.92
Equity Dividend	(18.02)	(18.02)
	1,813.43	1,455.51
Other Comprehensive Income		
Balance as per last financial statements	(4.87)	(4.55)
Addition / (deduction) during the year	(1.18)	(0.32)
	(6.05)	(4.87)
	2,185.20	1,833.65

- (i) Securities premium is used to record the premium received on issue of shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.
- (ii) General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.
- (iii) Capital Reserve - During amalgamation, the excess of net assets acquired over the cost of consideration paid is treated as capital reserve.
- (iv) Other Comprehensive Income - The cumulative gains and losses arising from fair value changes of equity investment measured at fair value through other comprehensive income are recognized in fair value of financial assets. The balance of reserves represents such changes recognized net of amounts reclassified to retained earnings on disposal of such investments.
- (v) Exchange differences arising on transactions of the foreign operations are recognized in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulated amount is reclassified to profit and loss when the net investment is disposed off.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	Non-Current portion		Current Maturities	
	As at 31st	As at 31st	As at 31st	As at 31st
	March 2021	March 2020	March 2021	March 2020
Note 14	NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS			
Term loans (Secured)				
from banks				
Indian Rupee Loan	657.57	691.70	112.55	70.51
from others				
Indian rupee loan from Financial institutions	834.96	716.39	-	-
Hire purchase loans	0.09	0.25	0.09	0.17
	1,492.62	1,408.34	112.64	70.68

1) Nature of security :**Sarda Energy & Minerals Limited**

- i Term Loans from Bank are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.
- ii Besides this, the Term Loan from Banks are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda, Mr Manish Sarda & Mr. Pankaj Sarda.

Madhya Bharat Power Corporation Limited

- i Mortgage and charge of all the immovable properties, both present and future, including the Project Site (excluding Forest Land).
- ii Hypothecation and charge, of all the movable Project Assets, including the movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, intangible, goodwill, uncalled capital etc. present and future pertaining to the Project, all the rights title, interest, benefits, claims and demands, whatsoever of the Borrower in any letter of credit, guarantee, all Insurance Contracts and Insurance Proceeds;
- iii Charge on the operating cash flows, book debts, receivables, all current assets, commissions and revenues of whatsoever nature and wherever arising, both present and future pertaining to the Project;
- iv Assignment of and creation of a charge, on the following, relating to the Project:
 - (i) all the rights, titles, interests, benefits, claims and demands whatsoever in the Project Documents, duly acknowledged and consented to by the relevant Counterparties to such Project Documents, all as amended, varied or supplemented from time to time;
 - (ii) all the rights, titles, interests, benefits, claims and demands whatsoever of the Borrower in the Clearances;
 - (iii) all the rights, titles, interests, licenses, benefits, claims and demands whatsoever of the Borrower in any letter of credit, guarantee, performance bond provided by any of the parties to the Project Documents; and
 - (iv) all Insurance Contracts and Insurance Proceeds.
- v charge on all the letter of credits and any other bank account, reserves, relating to the Project, wherever maintained;
- vi charge on the Trust & Retention Accounts (including DSRA), all the cash flows of the Project, including balance Equity, CER Proceeds, including any other Project related revenue/receipts flowing through the TRA, both present and future.
- vii Pledge of Promoters' Equity Interest representing at least 80% (Eighty percent) of the Project Equity Capital (including the additional Equity for First Cost Overrun and second cost overrun) in favor of the Security Agent (acting for the benefit of the Lenders), at all times, until the Final Settlement Date, increased from the (i) initial 51% (Fifty One percent) pledged vide the Existing Financing Documents, and (ii) 60 % (Sixty Percent) of the Project Equity capital pledged vide the financing documents -Additional Facilities-I and as and by way of collateral securities.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

- viii Personal Guarantee of Individual Guarantor (promoter, director and chairman and managing director of the company) which shall be released on satisfactory debt-service for two years after COD out of the operating cash flows of the Project, as and by way of a collateral security; and
- ix Debt Service Reserve Amount being atleast 2 (two) quarters principal and interest amount, as and by way of a collateral security.

Chhattisgarh Hydro Power LLP

- (a) Primary -
Charge on entire movable & immovable fixed assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP.
- (b) Collateral -
 - 1) Charge on entire current assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP.
 - 2) Unconditional and irrevocable personal guarantees of Mr. Kamal Kishore Sarda & Mr. Pankaj Sarda.

Sarda Metal & Alloys Limited

For Indian Rupee Loan

- i Pari-Passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, pari-passu first charge on the movable properties and fixed assets of the company and pari-passu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.
- ii Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.
- iii Corporate Guarantee of ₹ 51.64 Crores of Holding Company Sarda Energy & Minerals Limited.
- iv Personal Guarantee of Director Mr. K K Sarda.
- v Indian Rupee Term Loan to the extent of ₹ 56.97 Crores from HDFC Bank is secured by central Govt Guarantee and pari passu second charge on all the assets of the company. Second charge on the assets of the company is yet to be created.

For Hire Purchase Obligations

Hire Purchase finance is secured by hypothecation of respective asset (Vehicles) .

2) Repayment terms :

Sarda Energy & Minerals Limited

- i Rupee term loan of ₹ 147.97 crore (Present Outstanding ₹ 55.46 crore) from Banks is payable in 32 equal quarterly installments starting from June 2016.
- ii Rupee term loan -II of ₹ 36.91 crore (Present Outstanding ₹ 19.25 crore) from Union Bank of India is payable in 28 equal quarterly installments starting from Dec. 2018.
- iii Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 91.35 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.
- iv Rupee term loan of ₹ 50 crore (Present Outstanding ₹ 49.38 crore) from IDFC First Bank Limited is payable in 20 quarterly installments starting from March 2020.
- v Rupee term loan of ₹ 50 crore (Present Outstanding ₹ 48 crore) from Axis Bank Limited is payable in 16 equal quarterly installments starting from March 2022.
- vi Rupee term loan of ₹ 48.13 crore (Present Outstanding ₹ 46.88 crore) from Axis Bank Limited is payable in 20 equal quarterly installments starting from March 2020.

Madhya Bharat Power Corporation Limited

IDBI-

Original loan was ₹ 100 Crore (current o/s ₹ 88.10 Crore). Original loan is repayable in 37 quarterly installments of ₹ 2.38 Crore each commencing from six months from the scheduled commercial operation date (SCOD) i.e. from October, 2020.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Power Finance Corporation-

Total revised sanctioned facilities is of ₹ 602.08 Crore out of which original loan is ₹ 217.60 Crore and additional facilities 1 is ₹ 384.48. Crore respectively. Original loan is repayable in 42 quarterly installments of ₹ 5.18 Crore each commencing from six months from the scheduled commercial operation date (SCOD) i.e. from October, 2021, New loan of ₹ 384.48 crore out of additional facilities I and II is repayable in 60 quarterly installments starting from 12 months after SCOD i.e. from April, 2022 (revised SCOD approved by PFC).

PTC India Financial Services Limited-

Total sanctioned facilities is of ₹ 156.31 Crore out of which original loan was ₹ 63.20 Crore and additional facilities 1 and 2 is ₹ 64.91 Crore and ₹ 28.20 Crore respectively, Original loan is repayable in 42 quarterly installments of ₹ 1.50 Crore each commencing from six months from the scheduled commercial operation date (SCOD) i.e. from October, 2020. New loan of ₹ 93.11 crore out of additional facilities I and II is repayable in 60 quarterly installments starting from 12 months after SCOD i.e. from April, 2021 (as per previous SCOD approved by the lender).

Indian Renewal Energy Development Agency Limited (IREDA)-

Total sanctioned facilities is of ₹ 140.00 Crore which is repayable in 60 quarterly installments of ₹ 1.54 crore (40 installments) each and ₹ 3.93 crore (balance 20 installments) each commencing from 12 months from the scheduled commercial operation date (SCOD) i.e. from April, 2021.

Chhattisgarh Hydro Power LLP

Secured Bank Loan (HDFC) of ₹ 86.70 Crore , 7.85% p.a. (linked to 1 year MCLR with Annual reset) is payable in the year 2027-28.

Sarda Metal & Alloys Limited

- i Indian Rupee Term Loan sanctioned from Axis Bank ₹ 144.78 Crore and IDFC First Bank ₹ 148.53 Crore as per initial stipulation is payable in 41 unequal quarterly installments commencing from September, 2017 and ending on September, 2027. As per RBI Directives for Covid 19 Company has been granted Moratorium 1 by Axis Bank and Moratorium 1 & 2 by IDFC First Bank, besides this company has during the year repaid the terminal installment of Term Loan of IDFC First Bank. Accordingly the repayment has been pushed by one quarter across the board and the tenor of both the term loans is upto December, 2027. Out of the 41 unequal quarterly installments, 14 installments have been repaid upto 31.03.2021
- ii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 40.14 Crore as per initial stipulation is payable in 27 unequal quarterly instalments commencing from September, 2019 and ending on March, 2026. As per RBI Directives for Covid 19 the company has been granted Moratorium 2 from the bank, as a result the repayment has been pushed by one quarter across the board and the revised tenor of the loan is upto June, 2026. Out of the 27 unequal quarterly instalments, 6 installment have been repaid upto 31.03.2021.
- iii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 11.50 Crore as per initial stipulation is payable in 24 equal quarterly instalments commencing from September, 2019 and ending on June, 2025. As per RBI Directives for Covid 19 the company has been granted Moratorium 2 from the bank , as a result the repayment has been pushed by one quarter across the board and the revised tenor of the loan is upto September, 2025. Out of the 24 unequal quarterly instalments, 6 installment have been repaid upto 31.03.2021.
- iv Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 56.97 Crore as per initial stipulation is payable in 48 equal monthly instalments commencing from April, 2022 and ending on April, 2026.
- v Hire Purchase obligation from Axis Bank of ₹ 0.47 Crore (Sanctioned amount) is payable in 48 equal monthly instalments of ₹ 0.01 Crore commencing from February, 2018. Out of the 48 instalments, 38 instalments have been repaid upto 31.03.2021. Company has not availed any moratorium on this loan.
- vi Hire Purchase obligation from BOB of ₹ 20 Crore is payable in 48 equal monthly instalments of ₹ 0.49 Crore commencing from December, 2019. Out of the 48 instalments, 16 instalments have been repaid upto 31.03.2021. Company has not availed any moratorium on this Loan.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 15 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit Received		
Deposits from Vendors	3.23	25.16
Others	4.60	2.40
	7.83	27.56
	As at 31st March 2021	As at 31st March 2020
Note 16 PROVISIONS		
(a) Provision for employee benefits		
Provision for Leave encashment	5.32	5.16
(b) Others		
Site restoration expenses	3.75	3.75
	9.07	8.91
	As at 31st March 2021	As at 31st March 2020
Note 17 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	60.90	71.03
Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation	24.23	1.90
MAT Credit	-	(12.03)
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	85.13	60.90
	As at 31st March 2021	As at 31st March 2020
Note 18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Secured		
From Banks (Secured)		
Short term loans	1.95	29.14
Working capital loans (repayable on demand)	21.30	107.28
Working capital Buyers Credit loans	85.04	78.91
	108.29	215.33
Other loans and advances (Unsecured)		
Loans from Other Parties	-	0.09
	-	0.09
Total	108.29	215.42

Security**Sarda Energy & Minerals Limited**

Working Capital loans from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable Plant & Machinery and second charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and land located at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K. Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda.

Sarda Metals & Alloys Limited

- (i) Working Capital Facilities are secured by first pari-passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company. These facilities are also secured by personal guarantee of Mr. K. K. Sarda, Director .

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

- (ii) These securities are created in favor of M/s Axis Trustee Services Limited, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda, & RBL Bank Limited.
- (iii) First pari-passu charge created by way of hypothecation of current assets in favour of Yes Bank Limited has been created on Bilateral basis. Second pari-passu charge in favour of Yes Bank is yet to be created

(₹ in Crore)

	As at 31st March 2021	As at 31st March 2020
Note 19 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES OTHER FINANCIAL LIABILITIES		
(a) Current maturities of long term debt	112.64	70.68
(b) Interest accrued but not due on borrowings	23.19	16.34
(c) Deposits from customers	24.73	3.95
(d) Expenses payable	31.73	21.15
(e) Salary & reimbursements	16.24	13.77
(f) Bill discounting (backed by LCs)	41.34	40.88
(g) INR payable to bank in forex account-on Financial Instruments at FVTPL- Level 1	-	0.14
(h) Unpaid Dividends	0.72	0.71
(i) Others	0.03	1.89
	250.62	169.51

	As at 31st March 2021	As at 31st March 2020
Note 20 OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	14.39	7.88
Others	0.14	0.30
(b) Deposit from Employees	0.74	1.65
(c) Advances from customers	10.02	6.53
(d) TDS payables	2.32	2.50
(e) Other payable	0.54	0.35
	28.15	19.21

	As at 31st March 2021	As at 31st March 2020
Note 21 PROVISIONS		
Provision for employee benefits		
(a) Provision for gratuity	0.60	1.36
(b) Provision for Leave	0.45	0.36
Provision for expenses	5.04	5.74
	6.09	7.46

	2020-21	2019-20
Note 22 REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	232.14	266.98
Ferro Alloys	856.00	803.44
Steel Billets	84.89	85.77
Wire Rod / HB Wire	534.83	462.33
Pellet	332.69	200.98
Power	78.47	91.33
Others	63.15	61.89
Other operating revenues	16.64	27.43
Revenue from Operations	2,198.81	2,000.15

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	2020-21	2019-20
Note 23 OTHER INCOME		
Interest Income	31.36	21.14
Dividend Income		
From Others	1.64	1.40
Net gain on sale of investments	15.49	(3.28)
Fair value gain on Financial Instruments at FVTPL	93.56	(40.08)
Other non-operating income (net of expenses directly attributable to such income)	2.41	3.89
	144.46	(16.93)
	2020-21	2019-20
Note 24 COST OF RAW MATERIAL CONSUMED		
Iron Ore	350.83	276.93
Mn Ore	294.54	305.31
Coal	537.80	547.64
Scrap	91.92	75.96
Other Material	51.06	27.26
	1,326.15	1,233.10
	2020-21	2019-20
Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE		
Inventories at the end of the year		
Finished Goods / Semi-finished goods	187.47	187.23
Trading Goods	0.17	0.02
	187.64	187.25
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	187.23	193.72
Trading Goods	0.02	0.04
	187.25	193.76
Increase/(Decrease) in Inventories	0.39	(6.51)
	2020-21	2019-20
Note 26 EMPLOYEE BENEFIT EXPENSE		
Salaries, incentives & Managerial Remuneration	80.04	78.43
Contributions to -		
Provident fund	4.41	4.51
Superannuation scheme	0.16	0.18
Gratuity fund	1.62	1.65
Staff welfare expenses	2.44	3.02
	88.67	87.79
	2020-21	2019-20
Note 27 FINANCE COSTS		
Interest expense	69.27	72.34
Other borrowing costs	8.41	7.55
Amortization of ancillary borrowing costs	0.50	1.48
Exchange difference to the extent considered as an adjustment to borrowing costs	0.92	1.11
	79.10	82.48

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	2020-21	2019-20
Note 28 OTHER EXPENSES		
Stores & Spares Consumption	71.02	70.47
Power	8.17	8.54
Manufacturing Expenses		
Plant process & services	26.30	25.99
Material handling Expenses	33.00	35.30
Other Manufacturing Expenses	0.51	0.29
Repairs & Maintenance		
Building	2.74	2.41
Plant & Machinery	10.26	9.79
Others	9.51	7.61
Rent	2.63	2.27
Rates & Taxes	15.62	15.67
Insurance Charges	5.32	4.50
Miscellaneous Expenses		
Travelling & Conveyance expenses	4.26	5.68
Legal & Professional Expenses	6.28	7.51
Administrative and other Expenses	35.36	20.85
Selling Expenses		
Carriage Outward	21.20	22.06
Selling Commission & Brokerage	3.88	4.40
Other Selling Expenses	1.11	2.90
Exchange differences (net)	(14.20)	16.65
Payment to Auditors	0.52	0.60
	243.49	263.49

	2020-21	2019-20
Note 29 OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	1.13	1.47
Income Tax relating to above item	(0.10)	(0.08)
Fair value of investment	(3.55)	(1.23)
Share of other comprehensive income in associates & joint ventures	-	(0.47)
Income Tax relating to above items	1.24	0.57
	(1.28)	0.26

	2020-21	2019-20
Note 30 EARNING PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	374.89	126.34
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS (in Crore)	3.60	3.60
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS (in Crore)	3.60	3.60
Basic	104.00	35.05
Diluted	104.00	35.05

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 31 SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As part of secondary reporting, the Company has no geographical segment by location.

Business Segment Primary

	2020-21				2019-20			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,216.34	886.11	96.81	2,199.26	1,032.35	857.74	96.18	1,986.27
Inter segment sales		14.85	330.54	345.39		15.38	318.33	333.71
Others Unallocated				(0.45)				13.88
Less: Inter segment sales		14.85	330.54	345.39		15.38	318.33	333.71
Total Revenue	1,216.34	886.11	96.81	2,198.81	1032.35	857.74	96.18	2,000.15
Result								
Segment Result	332.52	133.65	59.44	525.61	240.69	97.29	49.78	387.76
Unallocated Expenses net off unallocated income				34.65				(109.72)
Operating Profit				560.26				278.04
Interest & Forex Fluctuation Loss (Net)				(64.91)				(99.15)
Profit Before Tax & Extraordinary Item				495.36				178.89
Provision for taxation								
For Current Year				(89.48)				(52.86)
For Deferred Taxation				(25.49)				9.51
Profit After Taxation				380.39				135.54
Other Information								
Segment Assets	823.19	673.04	1,395.26	2,891.48	784.35	533.86	1,276.10	2,594.31
Unallocated Assets				1,599.41				1,477.15
Total Assets				4,490.89				4,071.46
Segment Liabilities	172.91	178.68	1,332.01	1,683.60	176.65	168.80	1,218.49	1,563.94
Unallocated Liabilities				515.75				567.88
Total Liabilities				2,199.34				2,131.82
Capital Expenditure	36.31	15.88	218.51	270.71	20.08	15.26	306.06	341.40
Unallocated Capital Expenditure				10.85				2.82
Depreciation / Amortization	27.76	13.21	25.81	66.78	29.20	13.82	27.05	70.07
Unallocated Depreciation				8.27				7.84

Note 32 INTEREST IN SUBSIDIARIES

The financial statements of the following subsidiaries have been considered in consolidation:

Name of Subsidiaries	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2021	2020
Sarda Energy & Minerals Hong Kong Limited	HongKong	100.00	100.00
Sarda Global Ventures Pte Limited	Singapore	100.00	100.00
Sarda Global Trading DMCC	Dubai	100.00	100.00
Sarda Metals & Alloys Limited	India	100.00	100.00
Sarda Energy Limited	India	100.00	100.00
Chhattisgarh Hydro Power LLP	India	100.00	100.00
Parvatiya Power Limited	India	51.00	51.00
Madhya Bharat Power Corporation Limited	India	82.96	82.96
Shri Ram Electricity LLP	India	51.00	51.00
Sarda Hydro Power LLP	India	60.00	60.00
Natural Resources Energy Private Limited	India	100.00	100.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note 33

(a) Interest in Joint Ventures

The financial statements of the following Joint Ventures have been considered in consolidation:

Name of Subsidiaries	Country of Origin	Proportion of ownership interest As at 31st March	
		2021	2020
Raipur Infrastructure Company Limited	India	33.33%	33.33%
Madanpur South Coal Company Limited	India	20.13%	20.13%

(b) Interest in Associates of Subsidiary company

The financial statements of the following Associate has been considered in consolidation:

Name of Subsidiaries	Country of Origin	Proportion of ownership interest As at 31st March	
		2021	2020
PT. Tigadaya Minergy	Indonesia	49.00%	49.00%

Note 34 RELATED PARTY DISCLOSURE

Names of related parties and description of relationship

S.No.	Relationship	Name of Related Parties
1	Joint Ventures/Associates	Madanpur South Coal Company Limited P T Tigadaya Minergy (Associate of Overseas WOS) Raipur Infrastructure Company Limited
2	Related Enterprises where significant influence exist	Chhatisgarh Investments Limited Chhattisgarh Metallics & Alloys Private Limited Earthstahl & Alloys Private Limited Geschäft Formulae India Private Limited (Formerly known as Sarda Solution & Technologies Private Limited) Lighthouse Info Systems Private Limited Prachi Agriculture & Properties Private Limited R. R. Sarda & Co Rishabh Mining & Transport Company Private Limited Sarda Dairy & Food Products Limited Vikas Associates
3	Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mr. Padam Kumar Jain Mr. Asit Kumar Basu Mr. C.K. Lakshminarayanan Mr. Gajinder Singh Sahni Mr. Jitender Balakrishnan Mr. Rakesh Mehra Ms. Tripti Sinha Mrs. Uma Sarda Mr. Manish Sarda Mr. Neeraj Sarda Mrs. Sonal Sarda Mr. V. Sridar Mr. P. S. Duttagupta

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

		Mr. Gaurishankar Patra (POWER FIN. COP. LTD)
		Mrs. Vipula Sarda
		Mr. Kashmirilal Agarwal
		Mr. Prahmarsh Agarwal
		Mr. Dinesh Kumar Lahoti
		Mr. Manish Sethi
		Mr. Gaurav Thakkar
		Mr. Sanjay Sabat
		Ms. Shilpa Rathod
4	Relatives of KMP's	Mr. Anant Sarda
		Mr. Ghanshyam Sarda
		Mr. Mahesh Kumar Khator
		Miss. Niharika Jain
		Mr. Satya Narayan Khator
		Mr. Vikas Agarwal
		Mrs. Veena Sarda

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and on arm's length basis. For the year ended 31 March 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Further, the transactions and balance with Subsidiaries are eliminated in consolidated accounts.

b) Material Transactions with Related Parties

(₹ in Crore)

Particulars	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	-	13.74	0.01
	-	-	(10.93)	(0.12)
Rent Paid	-	1.97	-	0.03
	-	(1.46)	-	(0.03)
Loans Granted	-	254.03	-	-
	-	(292.74)	-	-
Loans Received Back	-	251.85	-	-
	-	(332.79)	-	-
Loans Taken	-	-	-	-
	-	(0.18)	-	-
Loans Repaid	-	0.18	-	-
	-	-	-	-
Interest Paid	-	0.003	-	0.01
	-	(0.00)	-	(0.01)
Interest Received	-	17.97	-	-
	-	(16.84)	-	-
Advances Given	-	-	-	-
	-	(0.04)	-	-
Sale of Goods	-	2.72	-	-
	-	(0.85)	-	-
Purchase of Goods	-	6.24	-	-
	-	(17.65)	-	-

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Particulars	(₹ in Crore)			
	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Services Received	-	2.34	-	-
	-	(2.43)	-	-
Services Rendered	0.04	-	-	-
	(0.04)	-	-	-
Commission Paid	-	0.003	-	0.12
	-	(0.04)	-	(0.09)
Investment made	-	5.17	-	-
	-	(6.17)	-	-
Outstanding as on 31st March				
Receivables	-	1.21	0.01	-
	-	(0.82)	(0.02)	-
Loans Receivable	-	175.18	-	-
	-	(156.38)	-	-
Loans Payable	-	-	-	-
	-	(0.18)	-	-
Payables	-	1.93	5.42	0.20
	-	(1.73)	(3.78)	(0.20)

Note 35 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account for the Group, net of advance given and not provided for as at 31st March, 2021 is ₹ 69.43 Crore (31st March, 2020 : ₹ 66.93 Crore).

Note 36 ESTIMATION OF UNCERTAINTIES RELATING TO THE GLOBAL HEALTH PANDEMIC FROM COVID-19 (COVID-19)

Due to outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of impact on business and financial risks on account of COVID-19. However, in view of higher volume of operations during the year, there was no major impact on financials of the Company for the year ended 31st March, 2021. The Company is taking full measure to protect the health & safety of the employees. Further the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, Trade receivables, Inventory and Investments and has concluded that there are no material adjustments required in the financial statements. Barring unforeseen circumstances, the management believes that the impact of the COVID-19 outbreak on the business and financial position of the Company is not likely to be significant at this stage, unless the corona impacted cases further increase in the area of operations of the Company. The management does not see any risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Company continues to make repayment of loan on due dates and has not availed the moratorium in repayment of loans granted by the banks and including interest thereon. The Company is monitoring the situation closely and will take appropriate measures depending on the evolving situation.

Note 37 NEW AND AMENDED STANDARDS

Ministry of Corporate Affairs notifies amendments to the existing standards viz INDAS - 116, 103, 1, 8, 107 and 109. There is no such impact of amendments which would have been applicable from 1st April, 2020. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

Note 38 PROPOSED DIVIDEND

The Board of Directors has recommended Equity dividend of ₹ 7.50 per share for the financial year 2020-21. The proposed dividend is subject to the approval of the shareholders in the Annual General Meeting.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Note 39 INCOME TAX EXPENSE**i) Income tax recognized in profit or loss**

	31st March, 2021	31st March, 2020
a) Current tax expense		
Current year	89.45	53.69
Adjustment for prior periods	0.03	(0.83)
	-	-
Deferred tax expense	-	-
Origination and reversal of temporary differences	25.49	(9.51)
Total income tax expense	114.97	43.35

ii) Income tax recognized in OCI

	31st March, 2021	31st March, 2020
That will not be reclassified to profit or loss	(0.10)	(0.08)
That will not be reclassified to profit or loss	1.24	0.57
Total income tax expense relating to OCI items	1.14	0.48

	31st March, 2021	31st March, 2020
b) Reconciliation of tax expense and accounting profit		
Accounting profit before tax from continuing operations	495.35	178.89
Accounting profit before tax	495.35	178.89
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 34.94%)	124.67	45.02
Adjustments in respect of current income tax of previous years	0.03	(0.83)
Exceptional item not considered for tax purpose	-	(2.48)
Exp Allowable for tax purpose	(33.72)	(28.38)
Expense not allowed for tax purpose	14.08	26.66
Deduction under Chapter VIA	-	(1.16)
Income not considered for tax purpose in other than PGBP	0.10	0.09
Effect of different overseas rates	(11.11)	7.07
Income Taxable at special rate of tax	(4.83)	3.04
Mat Credit used	-	0.78
Other temporary differences	25.49	(9.51)
Effective income tax rate	23.16%	24.23%
Income tax reported in the statement of profit and loss	114.72	43.35
	114.72	43.35

	31st March, 2021	31st March, 2020
c) Reconciliation of deferred tax assets/ Liabilities		
Opening balance as at 1st April	60.89	71.03
Accelerated depreciation for tax purposes	9.08	0.46
Expenses allowed on payment basis	0.02	0.31
DTA impact on indexation of land	(0.99)	(0.82)
DTA impact on net movement, Valuation & others	8.93	1.94
MAT Credit Adjusted	7.20	(12.03)
Closing balance as at 31st March	85.13	60.89

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

	Year ended 31st March 2021	Year ended 31st March 2020
Note 40 CONTINGENT LIABILITIES		
Guarantees given by group's bankers	206.39	88.36
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	-	0.43
Bills discounted with the group's bankers under Letters of Credit	53.28	40.97
Claims against the group not acknowledged as debt & disputed in appeals	28.43	21.50
Excise Duty & Service Tax Demand	18.54	16.45
VAT, CST & Entry Tax	9.38	9.45
Income Tax	9.85	14.87
Electricity Duty	11.25	8.84
Energy Development Cess	70.03	66.69
Relinquishment Charges	119.03	119.03
	526.18	386.59

i) Claim against the group not acknowledged as debt comprises of:

Suspension and damages claimed from Madhya Bharat Power Corporation Limited by erstwhile Electro Mechanical Contractor M/s. Voith Hydro Private Limited which is presently under arbitration and idle time claimed by main Civil Contractor M/s. SEW Infrastructures Limited which is presently under litigation in High Court amounting to ₹ 10.84 Crore (P.Y. ₹ 10.84 Crore) as on the Balance Sheet date. However, Claim against the Company in the previous financial year comprised of claims by erstwhile civil contractors, M/S SEW Infrastructure Limited. In the course of hearing before Hon'ble High Court of Delhi, both the Parties opted for amicable resolution of disputes through mediation and have settled their entire disputes in complete satisfaction of all the claims and/or counter claim. Final order passed by Delhi High Court Mediation and Conciliation Centre and the matter stands closed. The Arbitration Tribunal has passed an award on 31.07.2019 in the arbitration case with the erstwhile Electro-mechanical Contractor. In addition, the award carries interest until the date of payment. The Company has filed petition challenging the award in the High Court of Delhi and the matter is currently pending before the Delhi High Court. As directed by the High Court, the Company has already deposited ₹ 1.50 Crore against the awarded amount which shall be adjusted from the final amount payable to the contractor in case its petition is not allowed by the High Court.

- ii) Commercial Tax demand for Sarda Metals & Alloys Limited for ₹ 4.24 Crore (PY ₹ 4.24 Crore) on account of disallowance of Input Tax credit of ₹ 3.39 Crore on equipments of Power Plant and Penalty of ₹ 0.85 Crore. The company has filed appeal challenging disallowance of input tax credit with Appellate Tribunal. The Company has filed a writ petition for stay of recovery proceedings of penalty with the Hon'ble High court of AP. For the Financial years 2014-15 to 17-18 (Upto June 2017) wherein the VAT input credit to the extent of ₹ 1.63 Crore has been disallowed. The Company has filed appeal with Commercial Tax Appellate Tribunal against the order of disallowance of input credit which is pending. The Company has also filed an write pition before Hon'ble High court of AP which is pending. During the financial year 2019-20 Asst Commissioner has imposed penalty of ₹ 0.42 Crore against which stay has been granted by Hon'ble High court of AP.
- iii) In the case of Sarda Metals & Alloys Limited, during the financial year 2014-15, Income tax department has conducted a search operation U/s 132 of Income Tax Act, 1961, covering the block periods from AY 2009-10 to 2014-15. The assessment has been completed by the tax authorities and a demand has been raised for the A.Y. 2012-13 for ₹ 0.87 Crore on account of disallowance of expediture and addition of Forex gain. For Assessment year 2015-16 addition of ₹ 7.97 Crore has been made on account of discrepancies in stocks and demand has been rased for ₹ 0.87 Crore after adjustment of advance tax . The company has filed appeals with Commisioner Appeals for both the assessment years which is pending.
- iv) In the case of Sarda Metals & Alloys Limited, Electricity Duty ₹ 11.25 Crore (P.Y. ₹ 8.84 Crore) for the period from January 2013 to March, 2017 for sale of Electricity. The company has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.
- v) Energy Development Cess of ₹ 70.03 Crore (P.Y. ₹ 60.79 Crore) net of amount deposited ₹ 2.94 Crore (P.Y. ₹ 2.94 Crore) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to December 2020. The Honorable High Court of Chhattisgarh has held the levy of Energy Development Cess as unconstitutional vide its Order dated 20th June, 2008. The State Govt. has filed a Special Leave Petition before the Honorable Supreme Court.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

vi) For Sarda Energy & Minerals Limited the relinquishment charges of 156 MW LTA for Kolam Power Plant, Relinquishment Charges in accordance with the directions under petition no 92/MP/2015 vide order dated 08-03-2019 is ₹ 97.20 Crore. Petition filed before the Hon'ble Tribunal for Electricity at New Delhi against the Impugned Order dated 08.03.2019 read with the corrigendum dated 10.05.2019 passed by the Central Electricity Regulatory Commission in the Petition No. 92/MP/2015. Matter is pending before the Hon'ble Tribunal for Electricity at New Delhi. In the case of Madhya Bharat Power Corporation Limited, the Company has made relinquishment of long term open access for transfer of power from 96 MW Rongnichu HEP, East Sikkim under Bulk Power Transmission Agreement with POWERGRID in January 2019 as the plant could not be commissioned as per schedule committed to PGCIL. Due to non transmission of power from the power project, PGCIL's capacity remained stranded. Central Electricity Regulatory Commission (CERC) has issued Order dated 10.05.2019 for determination of relinquishment charges. In pursuance of the said Order, PGCIL (CTU) has imposed a relinquishment charge of ₹ 21.83 crore on MBPCL for the stranded capacity vide its letter dated 27.12.2019. Similar relinquishment charges have been levied on many other IPPs as well. Against the above stated CERC Order, MBPCL along with Association of Power Producers (APP) and other entities have filed appeal to APTEL (Appellate Tribunal for Electricity) for review of CERC order.

Meanwhile the Company had re-applied for OPEN ACCESS for transmission of power from 96 MW RHEP and Long Term Acces has been granted to it w.ef 31st January, 2021. As such the period (12 years) for which the capacity of transmission line will remained stranded will get reduced and the liability calculated by PGCIL will get proportionally reduced. (even if the appeal before APTEL gets rejected).

Note 41 CONTINGENT ASSET

The Group has various pending insurance claims in lieu of machine break down adding up to ₹ 0.91 Crore as on 31st March, 2021.

Note 42 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities comprise of loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group companies also enter into derivative contracts.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Market Risk -

- Interest rate risk
- Currency risk
- Price risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit Risk

The Group is exposed to credit risk as a result of the risk of counterparties' non performance or default on their obligations. The Group's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Group periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Group measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	(₹ in Crore)	
	31st March, 2021	31st March, 2020
Trade and other receivables	138.24	123.89
Loans and advances	309.45	262.51
Bank, cash and cash equivalents	97.58	164.64

Impairment losses

	31st March, 2021	31st March, 2020
Trade and other receivables (measured under life time expected credit loss model)		
Opening balance	3.01	2.71
Provided during the year	0.32	0.30
Reversal of provision	-	-
Unwinding of discount	-	-
Closing balance	3.33	3.01

Ageing analysis*

	31st March, 2021	31st March, 2020
Upto 3 months	124.98	112.94
3-6 months	12.93	4.87
More than 6 months	3.37	9.09
	141.28	126.90

*Gross trade receivables i.e. not including provision for doubtful debts/impairment

No significant changes in estimation techniques or assumptions were made during the reporting period

Liquidity risk

The Group is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Group monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Group has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Group's liquidity risk, the Group's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Group's reputation.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

Financing arrangements

The Group has access to following undrawn borrowing facilities and liquid investments at the end of the reporting period:

	31st March, 2021	31st March, 2020
Term Loan - Union Bank of India (UBI)	6.13	6.13
Term Loan - PFC	60.05	46.67
Term Loan - PTC	0.58	28.68
Term Loan - IDBI/ IREDA	0.22	37.30
Cash Credit facility	216.37	130.39
Current investments	92.23	41.90

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March, 2021				
Borrowings	221.61	696.07	795.87	1,713.55
Trade payables	205.35	-	-	205.35
Security deposits	32.56	-	-	32.56
Other financial liabilities	113.25	-	-	113.25
	572.77	696.07	795.87	2,064.71
	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March, 2020				
Borrowings	275.17	842.37	576.89	1,694.43
Obligations under finance lease	-	-	-	-
Trade payables	213.66	-	-	213.66
Security deposits	8.78	22.73	-	31.51
Other financial liabilities	94.88	-	-	94.88
	592.49	865.10	576.89	2,034.48

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

MARKET RISK**a) Interest rate risk exposure**

	31st March, 2021	31st March, 2020
Variable rate borrowings	1,628	1,566
Fixed rate borrowings	85	128

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	2020-21	2019-20
Interest rates - increase by 70 basis points	(7.5)	(7.0)
Interest rates - decrease by 70 basis points	7.5	7.0

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

CURRENCY RISK

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

	Currency	2020-21	2019-20
Bank Loans	USD	(0.03)	(0.50)
Trade & Other Payables	EURO	-	(0.60)
Trade & Other Payables	USD	(0.07)	(2.73)
Trade & Other Payables	AED	(1.03)	(1.02)
Investment held for Trading	USD	1.23	1.13
	AED	1.62	0.58
Investment in associate	USD	0.28	0.29
Trade & Other Receivables	USD	0.68	0.99
	AED	0.13	0.03
Cash & Cash Equivalents	USD	0.08	-
	AED	0.03	0.01
Forward Contract to Sell/Receivable	USD	-	(0.10)

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

	Impact on profit after tax	
	2020-21	2019-20
Foreign exchange rates - increase by 1%	1.74	(1.27)
Foreign exchange rates - decrease by 1%	(1.74)	1.27

PRICE RISK

The entity is exposed to equity price risk, which arises out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2% increase in the index at the reporting date on profit & loss would have been an increase of ₹ 3.65 Crore (2019-20: ₹ 4.77 Crore); an equal change in the opposite direction would have decreased profit and loss. For equity investments classified as at FVTOCI, the impact of a 2% increase in the index at the reporting date on profit & loss would have been an increase of ₹ 0.48 Crore (2019-20 : ₹ 0.44 Crore); an equal change in the opposite direction would have decreased profit and loss.

Note 43 CAPITAL MANAGEMENT

The Group's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;
- ensure compliance with covenants related to its credit facilities and secured debentures;
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions;
- safeguard its ability to continue as a going concern; and
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

The Board has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Group's capital management, capital includes issued capital and all other equity reserves. The Group manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Group manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

(₹ in Crore)

	31st March, 2021	31st March, 2020
Total liabilities	1,713.55	1,694.44
Less : Cash and cash equivalent	48.72	140.98
Net debt	1,664.83	1,553.46
Total equity	2,322.09	1,970.16
Net Debt to Equity ratio	0.72	0.79

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

Note 44 FINANCIAL INSTRUMENTS**A. Accounting classification and fair values**

31st March, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	97.58	97.58				-
Non-current investments	-			-				-
Unquoted Equity Investments		23.42	27.77	51.19		23.42		23.42
Quoted Mutual Funds	0.20			0.20	0.20			0.20
Current investments	-			-				-
Quoted Equity Investments	214.75			214.75	214.75			214.75
Financial Asset: Loans & others	-		309.45	309.45				-
Trade and other receivables	-		138.24	138.24				-
	214.95	23.42	573.04	811.41	214.95	23.42	-	238.37
Financial liabilities								
Long term borrowings			1,492.62	1,492.62				-
Short term borrowings			108.29	108.29				-
Trade and other payables			205.35	205.35				-
Other financial liabilities	-		258.45	258.45	-			-
	-	-	2,064.71	2,064.71	-	-	-	-
31st March, 2020								
Financial assets								
Bank, cash and cash equivalents	-	-	164.64	164.64				-
Non-current investments	-			-				-
Unquoted Equity Investments	-	21.79	29.78	51.57		21.79		21.79
Quoted Mutual Funds	0.11		-	0.11	0.11			0.11
Current investments	-			-				-
Quoted Equity Investments	139.18	-	-	139.18	139.18			139.18
Financial Asset: Loans & others	-		262.51	262.51	-			-
Trade and other receivables			123.89	123.89				-
	139.29	21.79	580.82	741.90	139.29	21.79	-	161.08

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(₹ in Crore)

31st March, 2020	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Long term borrowings			1,408.33	1,408.33				-
Short term borrowings			224.18	224.18				-
Trade and other payables			213.67	213.67				-
Other financial liabilities	0.14		197.07	197.21	0.14			0.14
	0.14	-	2,043.25	2,043.39	0.14	-	-	0.14

* The carrying value and the fair value approximates.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.
- 4) The fair values of the unquoted equity shares designated at FVTOCI have been estimated by using the most recent purchase price of such shares. (level 2)

Note 45 Exceptional Items of ₹ 14.52 Crore represents Impairment Loss on Discarding of Capital Work-In Progress.

Signatures to Notes 1 to 45

As per our report of even date attached

For **O. P. Singhania & Co.**

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

May 22, 2021

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 22, 2021

For and on Behalf of the Board

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Joint Ventures

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit and Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Sarda Energy & Minerals Limited	61.04	2,010.94	72.09	271.43	(75.71)	0.96	72.60	272.40
Subsidiary								
Indian								
SMAL - Sarda Metals & Alloys Limited	8.43	277.85	8.75	32.92	(8.74)	0.11	8.80	33.03
SEL - Sarda Energy Limited	2.45	80.70	1.20	4.52	-	-	1.21	4.52
CHPPL - Chhattisgarh Hydro Power LLP	3.47	114.35	6.67	25.11	2.17	(0.03)	6.68	25.08
MBPCL - Madhya Bharat Power Corporation Limited	15.19	500.64	(0.26)	(0.98)	(2.05)	0.03	(0.25)	(0.95)
PPL - Parvatiya Power Limited	0.95	31.24	0.47	1.76	94.14	(1.20)	0.15	0.56
SHPPPL - Sarda Hydro Power LLP	0.01	0.49	-	-	-	-	-	-
SRE LLP - Shri Ram Electricity LLP	0.11	3.59	0.01	0.04	-	-	0.01	0.04
NREPL - Natural Resources Energy Private Limited	0.01	0.19	-	-	-	-	-	-
Foreign								
SEMHKL - Sarda Energy & Minerals Hongkong Limited	4.35	143.27	5.59	21.05	-	-	5.61	21.05
SGV - Sarda Global Venture Pte. Limited	0.48	15.86	(0.02)	(0.09)	(2.83)	0.04	(0.01)	(0.05)
SGI - Sarda Global Trading DMCC	0.45	14.81	6.14	23.10	-	-	6.16	23.10
Joint Venture - India								
RICL - Raipur Infrastructure Company Limited	-	-	(0.12)	(0.46)	3.00	(0.038)	(0.13)	(0.50)
MSCCL - Madanpur South Coal Company Limited	-	-	0.01	0.03	-	-	0.01	0.03
Associates - Foreign								
PT. Tagadaya Minergy	-	-	(0.94)	(3.54)	-	-	(0.94)	(3.54)
Minority Interest in all subsidiaries	3.06	100.84	0.41	1.53	90.02	(1.15)	0.10	0.38
Total	100.00	3,294.77	100.00	376.42	100.00	(1.27)	100.00	375.15

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part A of Companies (Accounts) Rules, 2014 in respect of the Subsidiary Companies and Joint venture Summary of Financial Information of Subsidiary Companies As on 31.03.2021

S. No.	Particulars/Name of the Subsidiary Company	SEMHLK Hongkong		SGV Singapore		SGT Dubai		SMAL India		CHP LLP India		PPL India		MBPCL India		SFL India		SRE LLP India		SHPLL India		NREPL India		
		31.03.2021	31.03.2021	12th June, 2008	12th June, 2008	06th March, 2018	31.03.2021	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010
1	Financial year of the Subsidiary Company/LLP ended on	31.03.2021	31.03.2021	12th June, 2008	12th June, 2008	06th March, 2018	31.03.2021	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	
2	Date from which it became Subsidiary Company/LLP	17th Sep. 2007	17th Sep. 2007	12th June, 2008	12th June, 2008	06th March, 2018	31.03.2021	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	10th Feb. 2015	
3	Capital	0.56	28.30	28.30	28.30	1.88	1.54	21.02	114.32	114.32	114.32	1.54	219.34	219.34	219.34	0.72	3.53	3.53	3.53	0.51	0.51	0.51	0.01	0.01
4	Reserves & Surplus	142.72	(12.43)	(12.43)	(12.43)	12.93	29.70	256.83	0.03	0.03	0.03	29.70	281.30	281.30	79.99	0.06	0.06	0.06	0.06	(0.02)	(0.02)	(0.02)	0.18	0.18
5	Total Assets	145.25	21.06	21.06	21.06	35.38	65.27	768.58	253.41	253.41	253.41	65.27	1,593.24	1,593.24	106.88	4.23	4.23	4.23	4.23	0.49	0.49	0.49	0.19	0.19
6	Total Liabilities	143.27	15.86	15.86	15.86	14.81	31.24	277.85	114.35	114.35	114.35	31.24	500.64	500.64	80.70	3.59	3.59	3.59	3.59	0.49	0.49	0.49	0.19	0.19
7	Investments	90.22	-	-	-	32.31	21.97	-	-	-	-	21.97	-	-	89.95	-	-	-	-	-	-	-	-	-
8	Turnover	32.56	-	-	-	25.08	9.95	577.85	58.49	58.49	58.49	9.95	-	-	21.20	0.09	0.09	0.09	0.09	0.03	0.03	0.03	-	-
9	Profit before Taxation	21.05	(0.09)	(0.09)	(0.09)	23.10	3.39	47.89	39.79	39.79	39.79	3.39	(1.18)	(1.18)	4.53	0.09	0.09	0.09	0.09	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
10	Provision for Taxation	-	-	-	-	-	(0.05)	14.97	14.68	14.68	14.68	(0.05)	-	-	0.01	-	-	-	-	-	-	-	-	-
11	Profit After Taxation	21.05	(3.62)	(3.62)	(3.62)	23.10	3.44	32.92	25.11	25.11	25.11	3.44	(1.18)	(1.18)	4.52	0.09	0.09	0.09	0.09	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of Shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	100.00%	100.00%	100.00%	51.00%	82.96%	82.96%	100.00%	51.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	100.00%	100.00%
14	Whether commenced operation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2021, i.e. 1US\$ = ₹ 73.12 [SGV and SEMHLK] and 1AED = ₹ 19.93 [SGT]

Notes :

- SEMHLK - Sarda Energy & Minerals Hongkong Limited
- SGV - Sarda Global Venture Pte. Limited
- SGT - Sarda Global Trading DMCC
- SMAL - Sarda Metals & Alloys Limited
- SEL - Sarda Energy Limited
- CHPPL - Chhattisgarh Hydro Power LLP
- MBPCL - Madhya Bharat Power Corporation Limited
- PPL - Parvatiya Power Limited
- SHPLL - Sarda Hydro Power LLP
- SRE LLP - Shri Ram Electricity LLP
- NREPL - Natural Resources Energy Private Limited

Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part B of Companies (Accounts) Rules, 2014 in respect of the Associates

Summary of Financial Information of Associates As on 31.03.2021

(₹ in Crore)

S. No.	Particulars/Name of the Associate	PT. Tagadaya Minergy, Indonesia
1	Financial year of the Associate Company ended on	31st March, 2021
2	Share of associates held by the Company on the year end	
	No.	41,997
	Amount of Investment	20.63
	Extend of Holding %	49.00%
3	Networth	2.81
4	Profit/(Loss) for the year	
	i. Considered in Consolidation	(3.54)
	ii. Not Considered in Consolidation	-
5	Whether commenced operation	Yes

Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part B of Companies (Accounts) Rules, 2014 in respect of the Subsidiary Companies / associates/ Joint venture

Summary of Financial Information of Joint Ventures As on 31.03.2021

(₹ in Crore)

S. No.	Particulars/Name of the Joint Ventures		
		RICL India	MSCCL India
1	Financial year of the Joint Venture Company ended on	31st March, 2021	31st March, 2021
2	Share of Joint Ventures held by the Company on the year end		
	No.	1,30,800	1,30,742
	Amount of Investment	5.76	1.38
	Extend of Holding %	33.33%	20.13%
3	Networth	17.29	6.86
4	Profit/(Loss) for the year		
	i. Considered in Consolidation	(0.50)	0.03
	ii. Not Considered in Consolidation	-	-
5	Whether commenced operation	Yes	No

Notes :

- 1 RICL - Raipur Infrastructure Company Limited
- 2 MSCCL - Madanpur South Coal Company Limited

As per our report of even date attached

For and on Behalf of the Board

For **O. P. Singhania & Co.**
(ICAI FRN 002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership No. 076961
Raipur
May 22, 2021

K. K. Sarda
Chairman & Managing Director
DIN: 00008170
Raipur
May 22, 2021

P. K. Jain
Wholtime Director & CFO
DIN: 00008379

Manish Sethi
Company Secretary

A glimpse of our operations





Sarda Energy & Minerals Limited
www.seml.co.in