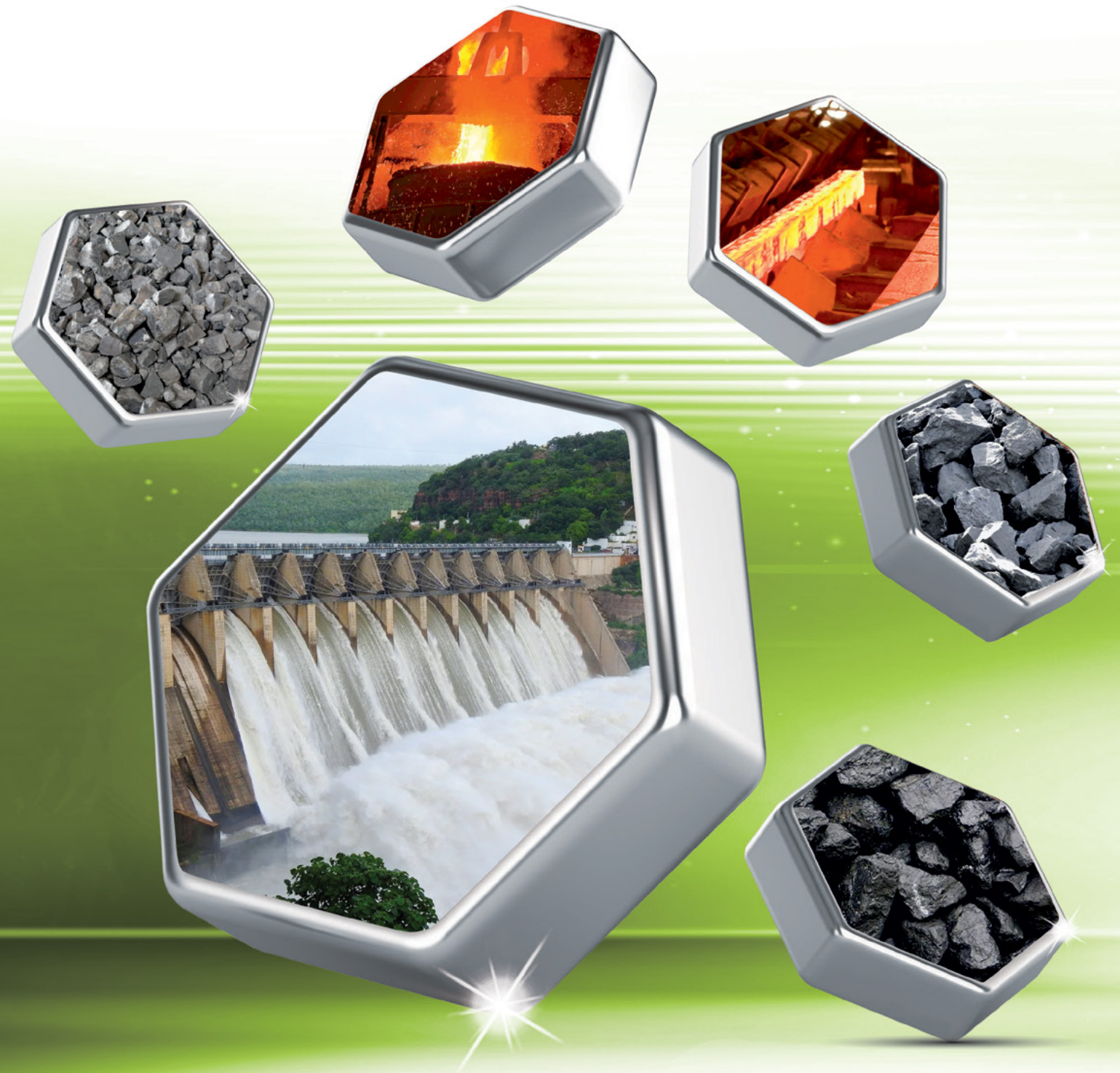




Sarda Energy & Minerals Limited

49TH ANNUAL REPORT | 2021-22

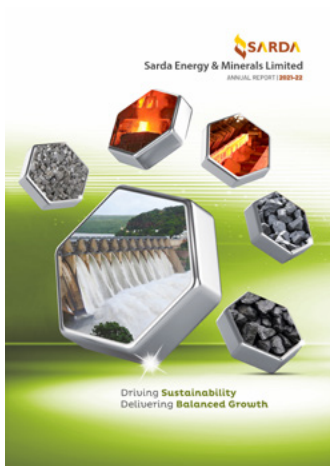
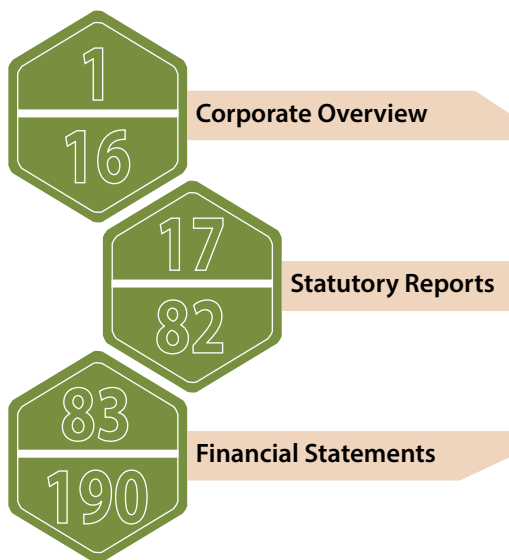


Driving **Self-Sustainability**
Delivering **Balanced Growth**

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 realized, 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 materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Users 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



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

Or simply scan to download



Driving Self-Sustainability Delivering Balanced Growth

Self-Sustainability and balanced growth is the very basis of our existence. We have been on course towards transforming our business model over the last decade. This single forward-looking perspective empowered us to successfully diversify our businesses, de-risk ourselves from commodity cyclicality, enhance raw material self-sufficiency through backward integration, de-leverage our balance sheet through robust financial management and most importantly, promoted environmental friendly operations, while ensuring sustainable and balanced business growth.

FY 2021-22 demonstrates our commitment to deliver on promises and build a solid foundation for the years to come.

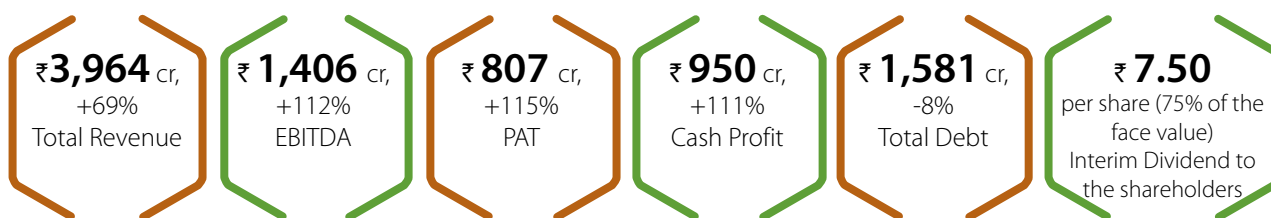
Read on to know more.



FY 2021-22: A Year of Strong Progress and Encouraging Outcomes

We are pleased to communicate that we continued to achieve new benchmarks across our financial KPIs, driven by strong operational performance.

Financial KPIs on Consolidated basis



Operational KPIs

Iron Ore Pellet	Sponge Iron	Steel Billet	Wire Rod
7,41,000 MT Production	2,94,203 MT Production	1,92,283 MT Production	1,60,945 MT Production
4,88,057 MT Sales	1,21,252 MT Sales	25,688 MT Sales	1,27,813 MT Sales
H B Wire	Ferro Alloys	Thermal Power	Hydro Power
32,393 MT Production	1,59,483 MT Production	1,079.04 Mn Kwh Power Generation	416.70 Mn Kwh Power Generation and Sales
31,930 MT Sales	153,301 MT Sales	75.82 Mn KWH Sales	

Key Business Updates

Metal Business

Coal Mines

- Commenced operations for Gare Palma IV/7 Coal Mine (Chhattisgarh)
- Achieved rated capacity in January 2022, ahead of schedule
- Commenced production of coal-washery in February 2022
- Initiated expansion of production capacity from 1.2 MMT p.a. to 1.68 MMT p.a.
- On-track progress of Shahpur West Coal Mine (Madhya Pradesh)

Gare Palma IV/7 Coal Mine (Chhattisgarh) 142 MMT Extractable Reserves (before expansion) 1.2 MMT p.a. Production Capacity 0.96 MMT p.a. Coal-washery Capacity	Shahpur West Coal Mine (Madhya Pradesh) 13.43 MMT Extractable Reserves 0.6 MMT p.a. Production Capacity
--	--

Coal Gasifier Plant

- Commenced commercial operations in January 2022, making us eligible for carbon credit, a feat that is achieved by very few players in the country

Ferro Alloys

- Commenced expansion of 36MVA at Vizag plant of Sarda Metals & Alloys Limited.

111MVA

Current Capacity

147MVA

Capacities Post Expansion

Other Updates

- Credit Rating upgraded to AA- for long term loans and A1+ for short term loans
- Continued bidding for additional mining assets
- Sarda Metals and Alloys Limited (SMAL) received Three-Star Export House status

Hydro Business

- Commenced operations at Sikkim Hydro Power Plant in Q2FY22
- Put in place 35-year PPA with State Discom
- Credit rating for bank facilities assigned as IND A-/Stable/IND A2+ by India Ratings and upgraded to CARE A-/Stable from CARE BB/Positive by Care Ratings
- Commenced construction work for the 24.9 MW hydro power plant at Chhattisgarh

Sikkim Hydro Power

113 MW

Operational Capacity

Other Hydro Power Projects

4.8 MW

Operational Capacity (Uttarakhand)

24 MW

Operational Capacity (Chhattisgarh)

Upcoming Projects

24.9 MW

Upcoming Capacity (Chhattisgarh)



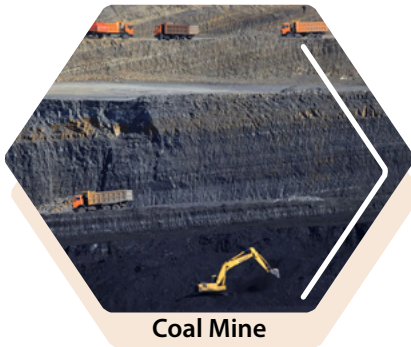
A Quick Read

Sarda Energy & Minerals Limited is a vertically integrated player adding value to minerals and energy.

A flagship company of the Sarda Group, incorporated in the year 1973 at Raipur (Chhattisgarh), we are one of the lowest cost producers of steel and one of the largest manufacturers and exporters of ferro alloys in India. Our diversified presence across mining, steel, energy and hydro power, cushions us against single-product dependency and also cushions us against raw material pricing as well as availability.

Integrated Business. Strong Value Creation.

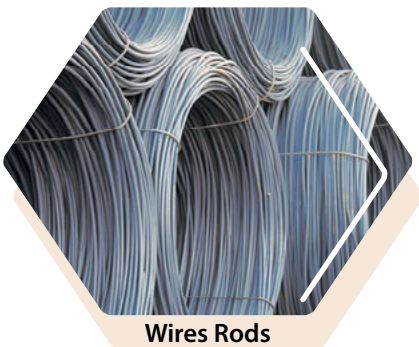
Raw Materials



Intermediate/Finished Products



Finished Products





Vision

To be a globally respected energy and minerals company creating superior 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 customers' 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.

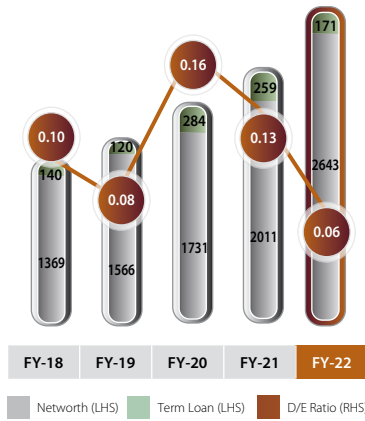


Corporate social responsibility

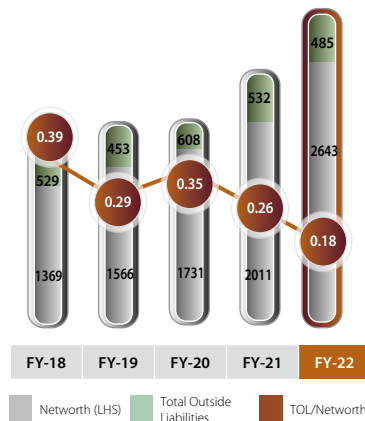
We believe in caring for our environment and our communities.

Financial Performance

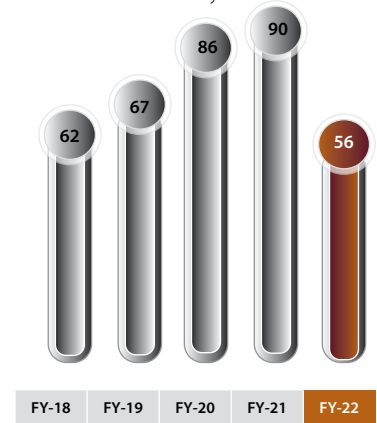
Term Debt - Equity Ratio (Standalone)
₹ in Crore



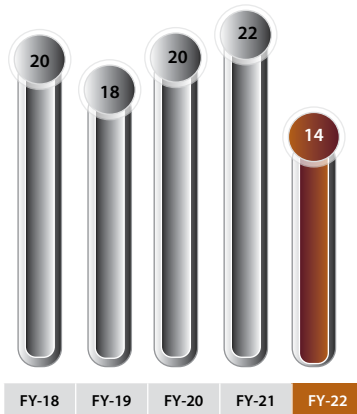
TOL/TNW (Standalone)
₹ in Crore



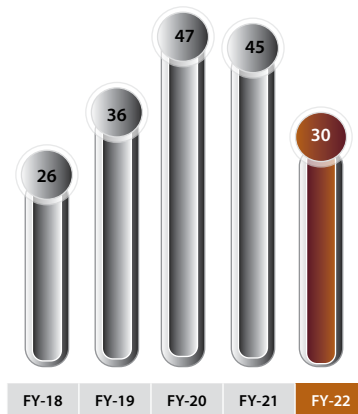
Inventories (Consolidated)
Days



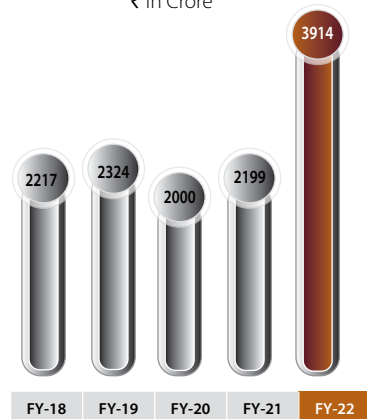
Receivables (Consolidated)
Days



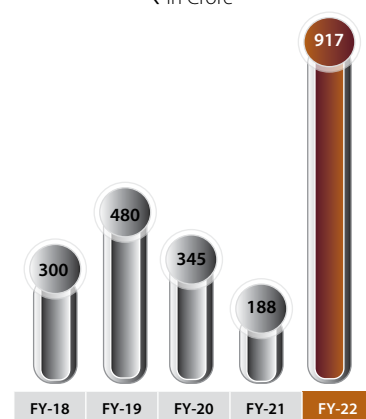
Payables (Consolidated)
Days



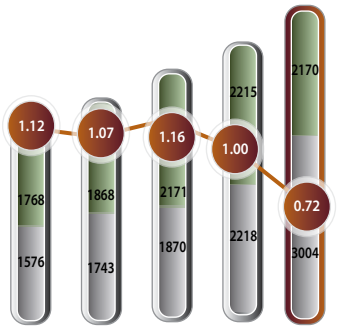
Revenue from Operations (Consolidated)
₹ in Crore



Cash Flow from Operating activities (Consolidated)
₹ in Crore

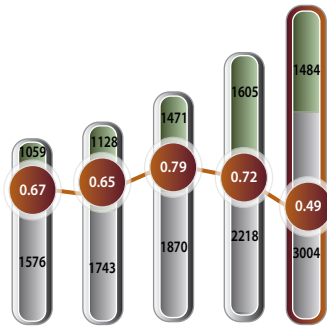


TOL/TNW (Consolidated) ₹ in Crore



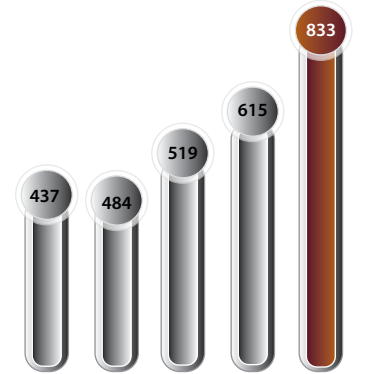
FY-18	FY-19	FY-20	FY-21	FY-22
Networth (LHS)	Networth (LHS)	Networth (LHS)	Networth (LHS)	Networth (LHS)
Total Outside Liabilities	Total Outside Liabilities	Total Outside Liabilities	Total Outside Liabilities	Total Outside Liabilities
TOL/Networth	TOL/Networth	TOL/Networth	TOL/Networth	TOL/Networth

Term Debt - Equity Ratio (Consolidated) ₹ in Crore



FY-18	FY-19	FY-20	FY-21	FY-22
Networth (LHS)	Networth (LHS)	Networth (LHS)	Networth (LHS)	Networth (LHS)
Term Loan (LHS)	Term Loan (LHS)	Term Loan (LHS)	Term Loan (LHS)	Term Loan (LHS)
D/E Ratio (RHS)	D/E Ratio (RHS)	D/E Ratio (RHS)	D/E Ratio (RHS)	D/E Ratio (RHS)

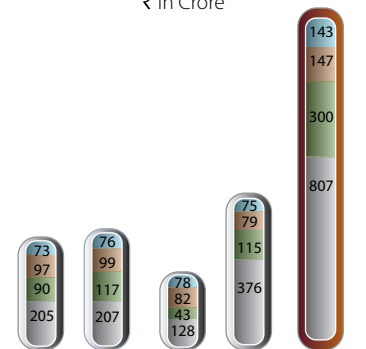
Book Value (Consolidated) ₹ Per Share



FY-18	FY-19	FY-20	FY-21	FY-22
Book Value (₹ Per Share)	Book Value (₹ Per Share)	Book Value (₹ Per Share)	Book Value (₹ Per Share)	Book Value (₹ Per Share)

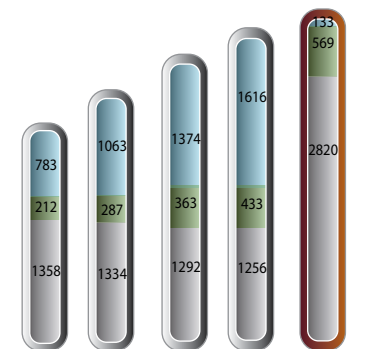


Net Profit, Interest & Tax and Depreciation (Consolidated) ₹ in Crore



FY-18	FY-19	FY-20	FY-21	FY-22
Net Profit	Net Profit	Net Profit	Net Profit	Net Profit
Tax	Tax	Tax	Tax	Tax
Interest	Interest	Interest	Interest	Interest
Depreciation	Depreciation	Depreciation	Depreciation	Depreciation

Fixed Assets (Consolidated) ₹ in Crore



FY-18	FY-19	FY-20	FY-21	FY-22
Net Block	Net Block	Net Block	Net Block	Net Block
Depreciation	Depreciation	Depreciation	Depreciation	Depreciation
Capital Work-in Progress	Capital Work-in Progress	Capital Work-in Progress	Capital Work-in Progress	Capital Work-in Progress

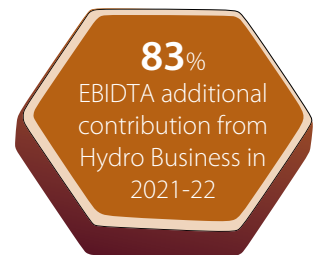
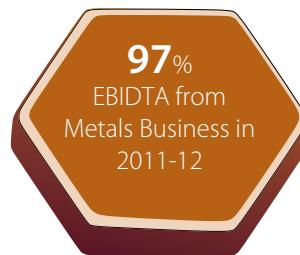
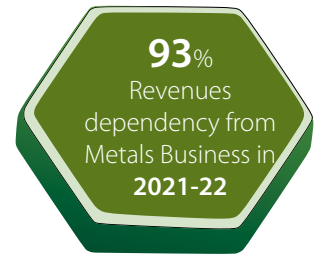
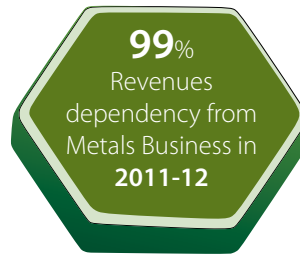
Message to our Stakeholders

Diversification

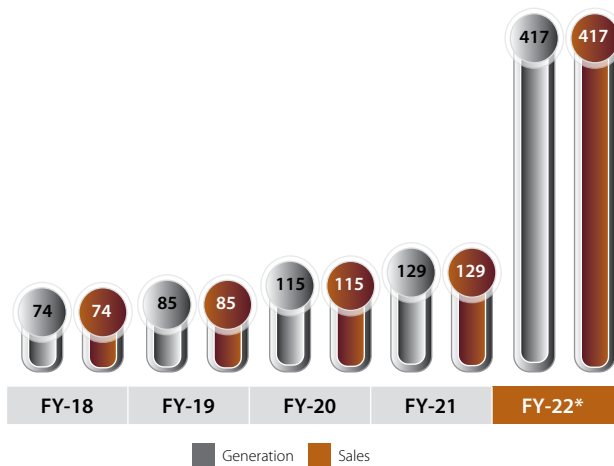
Our diversification efforts over the past few years are now delivering fruitful results. With multiple business avenues in the form of steel, ferro alloys, hydro power and coal, we have successfully insulated ourselves from commodity cyclicality.

Self-Sustaining

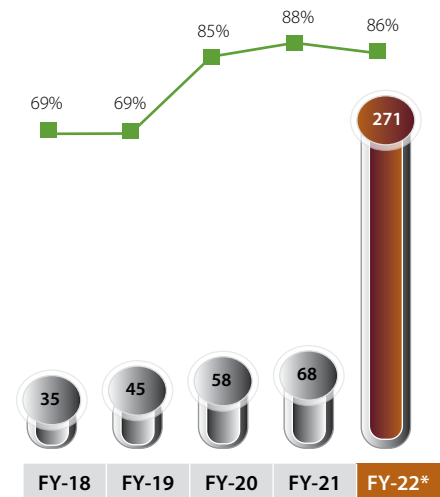
The commencement of Sikkim Hydro Project has built an annuity-like revenue stream, leading to significant improvement in the cash flows and higher EBITDA margins. Even during the downturn, our cash flows can flatten the volatility curve and support business operations as well as any expansion requirements.



Hydropower Generation and Sales (Mn Kwh)



Revenue (INR Cr) & EBITDA Margin(%)



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

Backward Integration

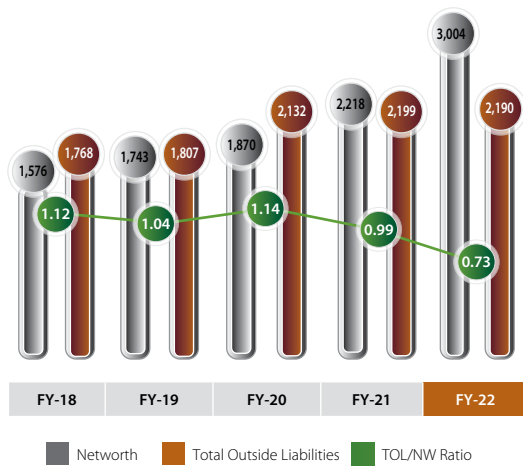
Our strategic foray into iron ore and coal mining has allowed us to mitigate risk of raw material pricing volatility. These captive mines allow us to become self-sufficient and coal mine also acts as an additional revenue stream through trading. Besides, our other captive resources are further driving significant reduction in the operational costs.

~200 kms Proximity to the Coal Mining Facilities	~140 kms Proximity to the Iron Ore Mining Facilities
36% Captive Consumption of Pellets	60% Captive Consumption of Sponge Iron
86% Captive Consumption of Billets	21% Captive consumption of Wire Rods
~100% Captive Power Requirement	

Strong Financials

Our diversification strategy has had a positive impact on the financials in the form of additional revenue streams, better cash flows and stronger margins. Commencement of hydro power plant in Sikkim, coal mining in Raigarh as well as higher capacity utilization of pellet plant, coupled with improvement in ratings and consistent reduction of debts will further strengthen our financial prowess.

Strong Balance Sheet : Improving TOL/NW ratio + Strong Liquidity (₹ in Crore)

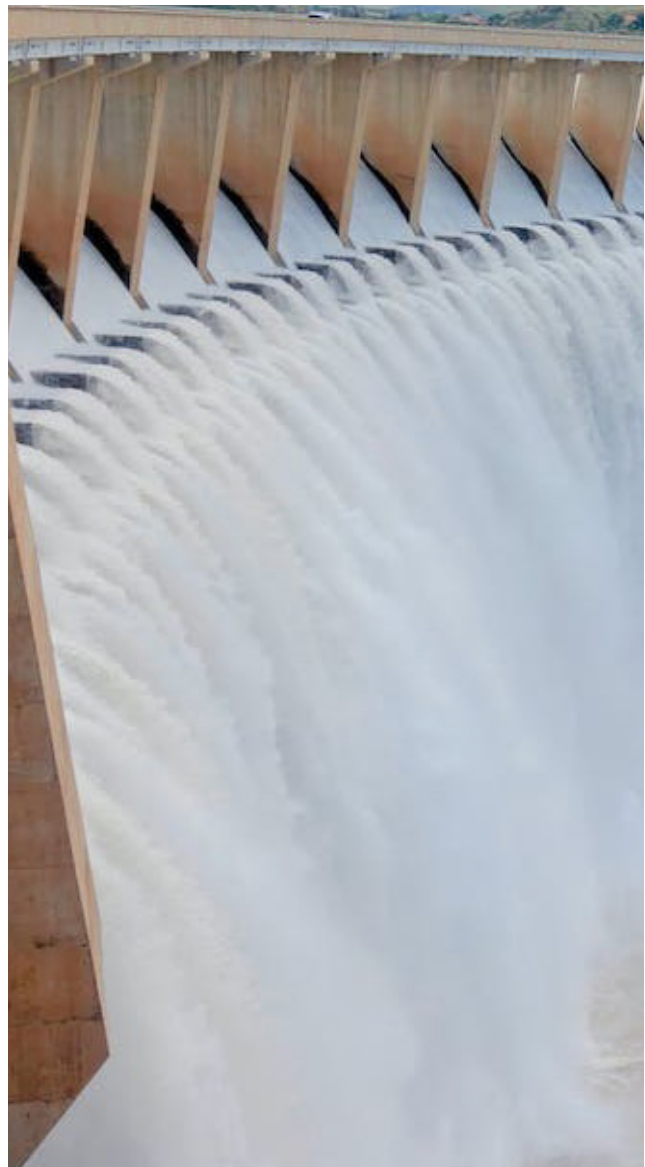


Credit Ratings

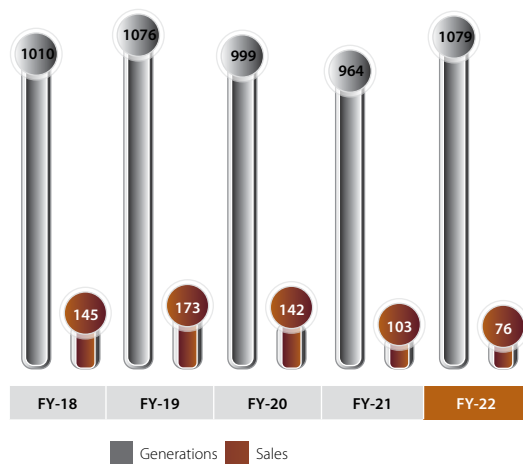
Long Term Rating	CRISIL AA- / Stable
Short Term Rating	CRISIL A1+

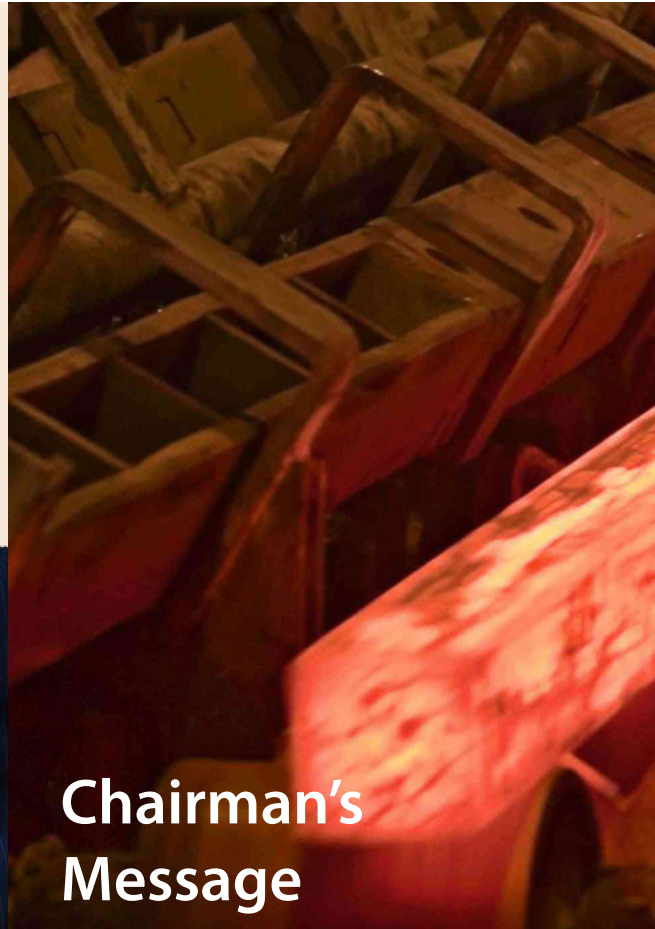
ESG Commitment

We are now a green power house with ~162 MW (142 MW of Hydro Power + 20 MW of Waste Heat) of operational power being generated from non-carbon energy sources and another 25 MW is under execution. With the completion of under execution project, the total green power capacity shall surpass the thermal power capacity.



Thermal Power Mn kWh





Chairman's Message

Dear Shareholders

The past 24 months have brought many salutary lessons. While tragic on a human scale, Covid-19 has provided compelling proof that, together, we can overcome the crisis. At the same time, the global spotlight was firmly on dwindling natural resources and the need to urgently change the way we consume these resources. From the Board's perspective, Sarda Energy & Minerals Limited has underlined its resilience over the past 24 months. We have adapted the reality of uncertainties and continued to focus on our diversification and integration strategy to achieve a self-reliant balanced growth.

The World Around Us

The world GDP rebounded in CY 2021 owing to improved economic performance led by rapid vaccinations, relaxation in curbs caused by the pandemic, fiscal support, robust consumer spending and improved business sentiments. The Indian economy strongly rebounded against the pandemic headwinds and recorded a GDP of 8.7% in FY 2021-22. However, the last quarter of FY 2021-22, posed challenges in the backdrop of geo-political tensions and global inflation. The same is expected to continue into the first half FY 2022-23 as the World Bank expects global growth to decelerate from an estimated 5.5% to 3.2%. High commodity and energy prices, inflation and recession risks continue to linger over the global economy.

Conviction and Competitiveness

As you all are aware, Sarda Energy & Minerals Limited was largely an integrated producer of long steel products until late 2000s before foraying into hydro power business with a sole objective of diversified revenue streams and strong cash flows. Our subsequent foray into coal and iron ore mining has further strengthened our raw material security. Today, we have 142 MW of consolidated operating capacities of hydro power, with 25 MW in pipeline. Captive iron ore mine, coal mine and thermal power plants are meeting a sizable portion of key input requirements. Despite two years of lockdown-related challenges, coupled with supply chain and cost inflationary roadblocks, we streamlined ourselves creating a more efficient organisation, consistently delivering improved performance, while significantly reducing debt through disciplined financial management. We are strategically positioned ahead of the curve and ready for any opportunity.

Consistent and Robust Performance

In FY 2021-22, we have once again delivered robust results across all key metrics. On a consolidated basis, we reported highest ever revenues and profits of ₹ 3,964 Crore and ₹ 807 Crore, respectively, registering a growth of 69% and 115%. Our consolidated EBITDA strengthened by 112%, to ₹ 1,406 Crore while cash profits improved by 111%,

The Company strives to be a responsible corporate entity. The Company, therefore, recognizes the impact of its operations and hence is committed to strictly adhere to the Environment, Health and Safety (EHS) norms and compliance standards.

to ₹ 950 Crore during the year. We further announced buyback of 8,11,108 equity shares for a consideration of ₹ 121.67 crore at ₹ 1,500/- per share and also rewarded our shareholders through an interim dividend payout of ₹ 7.50 per share for F.Y. 2021-22. These results also underscore the benefits of our diversification and integration strategy to create operational synergies and economies of scale and offset cyclicity in our key commodities.

Key Strategic Priorities

As we focus on expanding our competitive advantages, we continue to monitor the current landscape of our business to maximize value creation. As such, we have prioritized the following action plan for the next leg of growth:

- 1. Focus on hydro:** With our 113 MW Sikkim Hydro Project getting commercialised and 25 MW Project under execution at Chhattisgarh, we are competitively placed to achieve consistent returns overtime, with substantial contribution to EBIDTA. Besides, the cash flows being generated from this business are self-sufficient for any future capex in this business. We look forward to expanding the hydro capacities upto 250 MW over the medium term.
- 2. Mining:** With the objective of rationalizing input costs and securing raw materials, we commissioned Gare Palma IV/ 7 Coal Mine at Raigarh during the year, while the Shahpur West Coal Mine is still work-in-progress and expected to be operational in about three years from now. Besides, we are also exploring further opportunities in iron ore mining and are also bidding for mining assets.
- 3. Expansion in ferro alloys:** Our ongoing ferro alloys capacity expansions by 36 MVA to 147 MVA, is expected to be operational in FY 2022-23. This would further enhance our export presence and allow us

to emerge as among India's top 3 producers of ferro alloys.

- 4. Green power and sustainability:** Climate change is the defining challenge of our time, and Sarda Energy is committed to playing its part in addressing it. Our constant endeavour towards sustainability is reflected in the initiatives we have taken over the years. The coal gasification plant has not only allowed us to reduce carbon emissions but has also resulted in cost reduction and better efficiencies. Besides, it has also given us the opportunity to earn carbon credits, making us very few companies in India to achieve this. We are also exploring possibility of additional waste heat recovery facility of 11 MW to further support our cause of recycling and sustainability.

Closing Note

In line with best practices, we take an inclusive approach to the broader stakeholder base that underpins our long-term commitments. We will continue to evolve and surpass performance expectations on one hand, and continue to strengthen our business sustainability that benefit all our stakeholders, including our communities and planet. Our employees, who are vital to our success, will continue to get opportunities for their development and fair returns for their commitment and passion.

I thank my fellow Directors, our executive management team and our entire staff for their adaptability and resilience and their unremitting efforts in helping drive our business forward in accordance with our purpose and values. By delivering on our promises, we have established the credibility and capabilities that are the foundation for the next phase of growth.

Yours sincerely,

Kamal Kishore Sarda

Board of Directors



Kamal Kishore Sarda

CMD

Mechanical Engineer with nearly 46 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 44 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 47 years in finance and power sector.

The Board serves as the focal point of effective governance practices at Sarda Energy. The Board works to ensure that everything the Company does is governed efficiently, honestly, openly, and in accordance with best practices for corporate governance.



Jitender Balakrishnan

Independent Director
PGDM in Industrial Management.
Nearly 44 years of experience in
power, steel, oil & gas, corporate
governance and risk assessment.



Rakesh Mehra

Independent Director
FCWA with over 38 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 42 years in
power sector.



Padam Kumar Jain

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



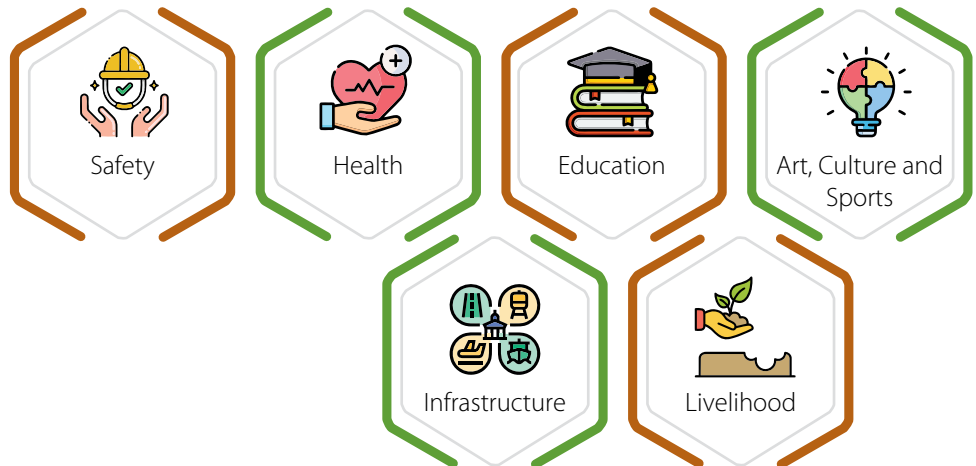
Pankaj Sarma

Jt. Managing Director
MS in Industrial Administration
from Purdue University, USA, with
industry experience of nearly 19
years.

Corporate Social Responsibilities

We are committed to delivering a lasting, positive contribution to our communities, by understanding and responding to their needs and priorities. Besides, we continue to focus on the evolution of its risk management approach, aiming to build a culture of learning to drive sustained safety improvements.

Areas of Focus



Safety

Key highlights

- Completed second dose of vaccination of all direct and indirect employees across the organisation
- Recognized with 'Appreciation' Award for Best Company in the Eastern Region in Safety Category
- Conducted regular medical check-ups and provided inhouse medical facilities to the employees
- Conducted regular annual training on safety measures.



Health

Key highlights

- Provided financial support for acquiring 12 ambulances by "Parivaar Education Society" for providing medical facilities to poor people
- Operated well-equipped mobile medical van with doctors, first-aid facilities and free medicines in villages near the mines
- Mobilized doctors for community healthcare services around 20 villages
- Provided financial support to critical patients for their advanced treatment
- Organized health camps /awareness drives for various diseases
- Organized blood donation camps to fulfil community need with CII & Red Cross



Education

Key highlights

- Provided salary support to teachers at Siltara & Mines area village schools
- Rewarded meritorious students of 10th & 12th
- Supported educational trust for quality education development
- Supported 50 Ekal Vidyalayas for education development of tribal students through Friends of Tribal Society
- Sponsored school sports & cultural events for local art & culture promotion
- Imparted computer education to village students



Art, Culture and Sport

Key highlights

- Conducted rural awareness program with Central Board Of Workers Education
- Supported old age homes
- Supported local cultural activities / festivals in villages
- Sponsored Positive Leadership Program



Infrastructure

Key highlights

- Constructed community halls for common use in villages
- Repair and renovation of roads, drains, school buildings, etc. in villages
- Constructed concrete roads, walkways in villages
- Created community assets for the community benefit in villages
- Created Rain water harvesting structures for water shed development



Livelihood

Key highlights

- Conducted mass bamboo plantation / provided saplings for plantation
- Conducted pond deepening works for water shed development
- Provided potable water supply in nearby villages
- Conducted livelihood development activities/ programmes for physically challenged through Akhil Bharatiya Vikalang Chetana Parishad
- Conducted sewing training program for women in Siltara & Mandhar village
- Conducted training programs for SHGs and village youth



Corporate Information

Board of Directors

Mr. K.K. Sarda	Chairman & Managing Director
Mr. Pankaj Sarda	Jt. Managing Director
Mr. P.K. Jain	Wholetime Director & Chief Financial Officer
Mr. A.K. Basu	} Independent Directors
Mr. C.K. Lakshminarayanan	
Mr. Jitender Balakrishnan	
Mr. Rakesh Mehra	
Ms. Tripti Sinha	

Company Secretary

Mr. Manish Sethi

Auditors

Statutory Auditors

M/s. O.P. Singhania & 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
Office No. 701 & 712,
7th Floor, Orange Hive,
Mowa, Vidhan Sabha Road,
Opp. Renault Showroom,
Raipur (C.G.) 492005

Secretarial Auditors

S. G. Kankani & Associates
Office No. 701 & 712,
7th Floor, Orange Hive,
Mowa, Vidhan Sabha Road,
Opp. Renault Showroom,
Raipur (C.G.) 492005

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

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

Mumbai Office

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

Delhi Office

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

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

Hongkong Office

Sarda Energy & Minerals Hongkong Limited
5F, Dah Sing life Building,
99-105, Des Voeux Road,
Central, Hongkong

Singapore Office

Sarda Global Venture Pte Limited
17 Phillip Street,
#05-01, Grand Building
Singapore 048695

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
Office No S6-2, 6th Floor
Pinnacle Business Park
Next to Ahura Centre
Mahakali Caves Road
Andheri (East) Mumbai (M.H.) 400093
Tel: 022 62638200
Email: investor@bigshareonline.com

Directors' Report

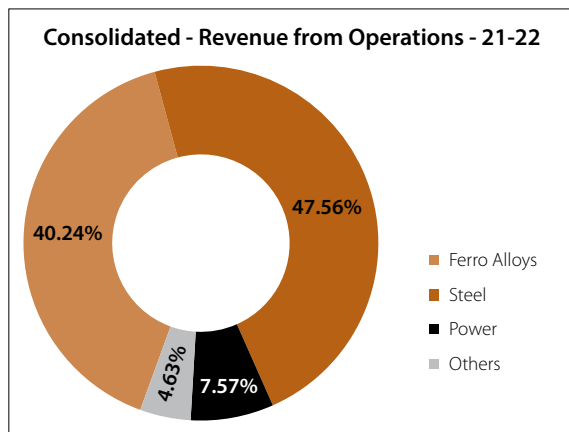
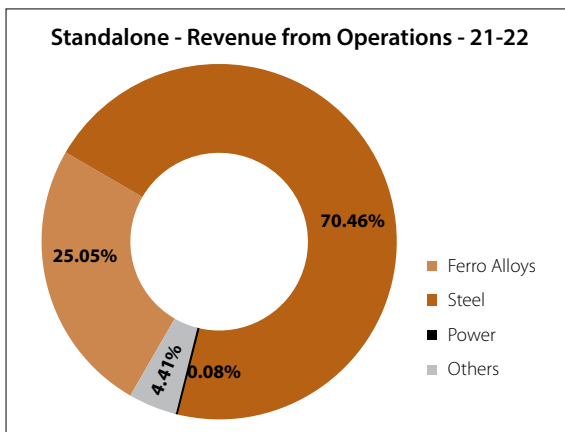
Dear Shareholders,

The Board of Directors take pleasure in presenting the 49th Annual Report on business and operations of the Company for the financial year ended 31st March 2022.

Results of Operations

(₹ in crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	2,642	1,595	3,914	2,199
Exports	122	9	1,002	334
Other Income	75	107	50	144
EBIDTA	953	479	1,406	664
Depreciation	54	48	143	75
Finance cost	22	34	147	79
Profit before tax	877	397	1,116	510
Exceptional Item	-	15	8	15
Provision for tax	217	85	300	115
Net Profit	660	297	808	380



Review of Performance

During the year under review, issues related to shortage of manpower and logistics affected the operations in the 1st quarter. This was inspite of some reduction in the impact of COVID-19 pandemic. However, the Company managed to mitigate all the risks with team efforts & close co-ordination amongst various departments of the organization as a result of which the plants operated smoothly.

During the year, the Company carried out certain modifications in the plants to improve their performance. Better production/maintenance plan, focus on cost reduction and value-added product also contributed to improved performance. The performance includes effect of the 113 MW Hydropower Project in Sikkim which commenced commercial operation from 30th June 2021 and the coal mine of the Company at Raigarh which commenced production in January 2022.

On the back of improved performance and buoyant market conditions, the total income and profitability improved with the Company achieving an increase of 66% in turnover on standalone basis and 78% on consolidated basis. The net profit increased by 121% on standalone basis and by 115% on consolidated basis.

There are no other material changes and commitments affecting the financial position of the Company since close of the financial year. 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.

Directors' Report

Dividend

The Board in its meeting held on 23rd April 2022 had declared interim dividend @ ₹ 7.50 per share (75%) for the F.Y. 2021-22, subject to the deduction of tax at applicable rate. The dividend resulted in cash outflow of ₹ 27.04 crore. The Board has recommended to consider the interim dividend paid as the Dividend for the Financial Year 2021-22.

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 Dividend Distribution Policy is available on the website of the Company under the 'Investor Relations' section.

Further, during the year, the Company has transferred the unpaid dividend amount of ₹ 9.66 lakh in respect of the F.Y. 2013-14 to the Investor Education and Protection Fund. The dividend for F.Y. 2020-21, and the interim dividend for F.Y. 2021-22 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 2021-22 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 ₹ 60.26 crore in Madhya Bharat Power Corporation Ltd. and ₹ 0.05 crore in Natural Resources Energy Pvt. Ltd. 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 the Company. During the year under review, the subsidiary reported a net profit of ₹ 4.87 crore as against profit of ₹ 21.05 crore in the previous year.
- **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, 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 ₹ 11.87 crore as against net loss of ₹ 3.63 crore in the previous year. The loss consist mainly of Impairment loss of investment in coal Mines ₹ 9.90 crore and Share of Loss in associates ₹ 1.70 crore. Subsequent to the year end the joint Venture project has been able to acquire additional land for mining operations and the mining operations will resume soon.
- **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 loss of ₹ 8.75 crore as against net profit of ₹ 23.10 crore in the previous year. The loss consists of mainly Mark to Market losses on investments.
- **Sarda Metals & Alloys Limited (SMAL)**, a wholly owned subsidiary is operating 2 x 33 MVA Ferro Alloys plant backed by 80 MW captive thermal power plant. During the year, power generation was 462.50 MU as compared to 461.65 MUs in the previous year. The ferro alloys production stood at 85,705 MTs as against 78,355 MTs in the previous year.

During the FY 2021-22, the company exported 80,896 MTs (including trading export of 3,118 MTs) ferro alloys valued ₹ 880.59 crore (including trading export of ₹ 43.95 Crores) against 47,574 MTs (trading export NIL) in the previous year valued ₹ 325.45 crores. The increase in value in FY 2021-22 vis-a-vis FY 2020-21 was appx.170%. The company has reported a net profit of ₹ 146.97 crore as against ₹ 32.90 crore in previous year. This was possible because of the increased operational efficiencies coupled with buoyant market conditions. The company has met all its financial obligations on time. During the year, the status of export house has been upgraded from Two Star Export House to Three Star Export House by the Government of India, Ministry of Commerce & Industry, Directorate General of Foreign Trade.

Work on 3rd Furnace of 36 MVA is progressing well and is expected to be operational in 3rd Quarter of FY 23. This shall result in power plant operation at near full capacity and shall reap the dual benefits from Ferro and power operations.

Directors' Report

- **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 ₹ 7.69 crore as against net profit of ₹ 3.57 crore in the previous year. The profit was mainly from share of profit from investment in Chhattisgarh Hydro Power LLP.
- **Natural Resources Energy Private Limited (NREPL)** has been converted into wholly owned subsidiary during the year. The entire share capital of the company is held by the Company. The company has not carried out any business during the year under review.
- **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 2021-22, the Plant has generated and supplied 1,049.88 lakh units (PY 1,052.27 lakh units) and has earned post tax profit of ₹ 33.43 crore (PY ₹ 25.11 crore).

The LLP has licenses for implementation of three more small hydel power projects with installed capacity of 73.80 MW. The construction works of 24.90 MW Rehar-I SHP commenced during the year under review. Other two small hydro projects namely 24 MW Mand SHP and 24.9 MW Jelha SHP are under clearance phase.

The Company holds 100% stake in the LLP (72% directly and 28% through its wholly owned subsidiary Sarda Energy Limited).
- **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. Despite of its very challenging geographical location, the plant has demonstrated impeccable performance since last fourteen years with negligible major overhauling/repair maintenance expenditure. The plant enjoys debt free operations since financial year 2017-18.

The company has supplied 256.64 lakh KWh power in the FY 2021-22 (P.Y. 240.99 lakh KWh) to the state grid. During the year 2021-22, the company has earned post tax profit of ₹ 3.89 crore (P.Y. ₹ 3.44 crore). The plant has generated employment opportunities in the remote area.

The Company continues to hold 51% stake in PPL.
- **Madhya Bharat Power Corporation Limited (MBPCL)** is operating 113 MW Rongnichu HEP in East Sikkim which commenced commercial operations from June 30, 2021. It is one of the very few projects in the country and particularly in the northeast region which has seen the light of day in recent years despite of all hardships including geological challenges, financial difficulties and lot many other implementation issues. The project completed its major parts of erection and was operationalized during the difficult time when the entire world was facing the wrath of an unprecedented COVID 19 pandemic situation.

Post commercialization of the Project, the company has refinanced its term loans which will substantially reduce the cost of funding.

MBPCL has supplied 286.04 MU of power in the F.Y 2021-22 and reported ₹ 194 crore as revenue from operations. It has earned post tax profit of ₹ 4.04 crore.

The Company holds 84.65% stake in MBPCL (76.43% directly and 8.22% through its wholly owned subsidiary Sarda Energy Limited).
- **Sarda Hydro Power LLP (SHP LLP)** has licenses for implementation of two small hydro projects. The capacity of its Kotaiveera SHP was enhanced from 24 MW to 24.90 MW during the year. Land acquisition is under progress and construction works are planned to kick off from the next financial year.

The 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. The Company continues to hold 51% stake in SRELLP. The firm will be dissolved once coal allocation related matters are closed.

Directors' Report

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. The Company holds one third share in the Joint Venture. During the year 2021-22 the company had achieved total comprehensive income of ₹ 3.68 crore as against loss of ₹ 1.49 crore in the previous year. The comprehensive income was mainly on account of fair valuation of equity investments.
- **Madanpur South Coal Company Limited (MSCCL)**, a 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. During the year 2021-22, MSCCL reported comprehensive income of ₹ 0.16 crore as against ₹ 0.15 crore in the previous year. MSCCL holds certain assets, including land, acquired for the project. MSCCL would be wound-up after disposal of these assets. The Company holds 20.13% in MSCCL. In the current financial year, the company has received compensation for the land acquired for the mining.

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.

Change in Capital Structure / Buyback

During the F.Y. 2021-22, there was no change in the capital structure of the Company.

During the current year 2022-23, the Board of Directors had approved a buyback of 8,11,108 equity shares @ ₹ 1,500/- per share. The said buyback was completed on 27th June 2022 and the relevant shares /certificates were extinguished on 1st July 2022. The Buyback involved an outflow of ₹ 121.67 crore, excluding the buyback cost, charges and related expenses. The Company has paid Income tax of ₹ 28.20 crore on buyback of shares. Post buy-back, the paid-up capital of the Company is reduced to ₹ 35.24 crore divided into 3,52,38,127 equity shares of ₹ 10/- each. Post buyback, the holding of promoter/promoters group has increased from 72.50% to 72.64%.

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Pankaj Sarda, Wholetime Director (Jt. Managing Director) 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 30th July 2022, subject to the consent of the members of the Company, have re-appointed Mr. Pankaj Sarda as Wholetime Director (designated as Jt. Managing Director) of the Company for a period of five years w.e.f. 1st November 2022.

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. Pankaj Sarda, who is proposed to be re-appointed, nature of his expertise, names of the companies in which he holds directorships, his 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. Padam Kumar Jain, as Director liable to retire by rotation. The members also approved his re-appointment as Wholetime Director for a period five years w.e.f. 1st June 2021.
- the appointment of Ms. Tripti Sinha as Independent Women Director for a period of five years w.e.f. 20th October 2020.

Directors' Report

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

- a) 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
- b) registered themselves with the Independent Directors' Databank as per the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

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.

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 Nomination & Remuneration Committee. The Board reviewed the performance of the individual Directors, committees of the Board and the Board as a whole.

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

The 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.

The 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 annexed 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. The 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 the 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 can be accessed on the Company's website at <https://seml.co.in/Corporate%20Governance/Familiarisation%20Programmes.pdf>.

Directors' Report

Directors' Responsibility Statement

The directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March 2022, 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 2022 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. Singhania & 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 2020-21 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.

The Board of Directors has, 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 not exceeding ₹ 2.00 lakh for the year 2022-23.

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

- i) for 2021-22 has been approved by the members in the Annual General Meeting held on 23.09.2021.
- ii) for 2022-23 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 2021-22. The Secretarial Audit Report for the financial year ended 31st March 2022 is annexed herewith marked as **Annexure D** to this Report.

With reference to the comment of the secretarial auditors regarding payment of fine to BSE for delayed appointment of Women Independent Director, the Director wish to inform that the delay in appointment of Women Independent Director was on account of spread of COVID -19 pandemic which delayed the selection of suitable candidate. The Company has appointed a woman independent director w.e.f. 20th October 2020. The fine imposed by BSE has been paid by the Company.

Directors' Report

In view of pendency of delisting application at Calcutta Stock Exchange, the Company has stopped sending information to Calcutta Stock Exchange. Further, in terms of requirement of regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report, for the financial year ended 31st March 2022, 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, the 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 initiatives in the areas of Health, Education, Arts, Culture & Heritage, Rural development, etc. The Company strives for sustainable development programs in partnership with the community.

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. The Company's focus has been upliftment of underprivileged in the society by providing quality education, training and healthcare. The Company also supports the NGOs working for such cause. During the year, the Company provided financial assistance for 12 ambulances for providing medical facilities in interior areas and to the under-privileged. The Company also supported for education to the tribal / poor children. During the year, the Company's spending on CSR has been more than the statutorily required.

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 policies under the Investors' section. The annual report on the CSR activities is annexed as **Annexure G** to this report.

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 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, 56, 3, 7 and 39 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 2021-22 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.seml.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 2022 is available at http://seml.co.in/Corporate%20Governance/Annual_Return_2021_22.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

The 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

The 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) Under the Insolvency and Bankruptcy Code 2016, no applications were made during the financial year 2021-22 by or against the Company and there are no proceedings pending as at the end of the financial year.
- f) The Company has not made any one-time settlement with any of its lenders.
- g) 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].

Furthermore, the 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 thank the customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. The Directors place on record the appreciation of the contribution made by employees at all levels. The directors place on records 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
30th July 2022

(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.

Annexure “B” to the Directors’ Report

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.

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.

Annexure "B" to the Directors' Report

c. Stock Options

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

- 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:
- The Services are rendered by such Director in his capacity as the professional; and
 - 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

- 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.
- The Committee shall determine the stock options and other share-based payments to be made to Key Managerial Personnel and Senior Management.
- 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 time to time, for which Rules shall be framed.
- 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

- 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.
- 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:

- 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.
- 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.
- professional indemnity and liability insurance for Directors and senior management.

VI. Implementation

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- 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 2022

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2021-22

[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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 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 2022 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;

Annexure "D" to the Directors' Report

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 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 previous financial year 2020-21, 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. With respect to the above non-compliance, BSE Ltd., in August, 2021, had imposed a fine of ₹1,12,100/- (including GST), which was duly paid by the Company in August, 2021 itself. Other than above, 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
FRN: P1998CG012600
PR: 1396/2021

Sd/-
(CS KAMLESH OJHA)

Partner
FCS No.: 10807
CP No.: 14660

UDIN: F010807D000714598

Place: Raipur (C.G.)
Date: 30th July 2022

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

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807D000714598

Place: Raipur (C.G.)

Date: 30th July 2022

Annexure "E" to the Directors' Report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended 31st March, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2021-22

[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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 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:

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 2022 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

FRN: P1998CG012600

PR: 1396/2021

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807D000632164

Place: Raipur (C.G.)

Date: 15th July 2022

'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 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

FRN: P1998CG012600

PR: 1396/2021

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807D000632164

Place: Raipur (C.G.)

Date: 15th July 2022

Annexure “F” to the Directors’ Report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended 31st March, 2022

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2021-22

[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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2022 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 2022 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. Further, 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, the Company has allotted 2,41,04,000 Equity Shares of the face value of ₹ 10/ each to its holding company, M/s Sarda Energy & Minerals Limited, in pursuance of right issue under Section 62 of the Companies Act, 2013 and the rules made thereunder. Other than above, 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

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807D000330093

Raipur (C.G.)
17th May 2022

'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 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

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No.: 14660

UDIN: F010807D000330093

Raipur (C.G.)
17th May 2022

Annexure “G” to the Directors’ Report

Annual Report on CSR Activities

1.	Brief outline on CSR Policy of the Company	<p>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.</p> <p>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.</p> <p>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.</p>																									
2.	Composition of CSR Committee	<table border="1"> <thead> <tr> <th data-bbox="242 996 295 1064">Sl. No.</th> <th data-bbox="295 996 526 1064">Name of Director</th> <th data-bbox="526 996 853 1064">Designation / Nature of Directorship</th> <th data-bbox="853 996 1085 1131">Number of meetings of CSR Committee held during the year</th> <th data-bbox="1085 996 1441 1097">Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td data-bbox="242 1131 295 1198">1</td> <td data-bbox="295 1131 526 1198">Mr. Rakesh Mehra (w.e.f. 01.04.2021)</td> <td data-bbox="526 1131 853 1198">Independent Director</td> <td data-bbox="853 1131 1085 1198">2</td> <td data-bbox="1085 1131 1441 1198">2</td> </tr> <tr> <td data-bbox="242 1198 295 1265">2</td> <td data-bbox="295 1198 526 1265">Mr. K.K. Sarda</td> <td data-bbox="526 1198 853 1265">Chairman & Managing Director</td> <td data-bbox="853 1198 1085 1265">2</td> <td data-bbox="1085 1198 1441 1265">2</td> </tr> <tr> <td data-bbox="242 1265 295 1332">3</td> <td data-bbox="295 1265 526 1332">Mr. Pankaj Sarda (till 30.06.2021)</td> <td data-bbox="526 1265 853 1332">Jt. Managing Director</td> <td data-bbox="853 1265 1085 1332">1</td> <td data-bbox="1085 1265 1441 1332">1</td> </tr> <tr> <td data-bbox="242 1332 295 1400">4</td> <td data-bbox="295 1332 526 1400">Mrs. Tripti Sinha (w.e.f. 01.07.2021)</td> <td data-bbox="526 1332 853 1400">Independent Director</td> <td data-bbox="853 1332 1085 1400">1</td> <td data-bbox="1085 1332 1441 1400">1</td> </tr> </tbody> </table>	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. Rakesh Mehra (w.e.f. 01.04.2021)	Independent Director	2	2	2	Mr. K.K. Sarda	Chairman & Managing Director	2	2	3	Mr. Pankaj Sarda (till 30.06.2021)	Jt. Managing Director	1	1	4	Mrs. Tripti Sinha (w.e.f. 01.07.2021)	Independent Director	1	1
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. Rakesh Mehra (w.e.f. 01.04.2021)	Independent Director	2	2																							
2	Mr. K.K. Sarda	Chairman & Managing Director	2	2																							
3	Mr. Pankaj Sarda (till 30.06.2021)	Jt. Managing Director	1	1																							
4	Mrs. Tripti Sinha (w.e.f. 01.07.2021)	Independent Director	1	1																							
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.	<p>CSR Committee: http://seml.co.in/Corporate%20Governance/Board%20Committes.pdf</p> <p>CSR Policy: http://seml.co.in/Corporate%20Governance/SEMLCSRPolicy.pdf</p> <p>CSR Report: http://seml.co.in/Corporate%20Governance/SEML%20CSR%20March%202022.pdf</p>																									
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

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	2018-19	NIL	NIL
2	2019-20	NIL	NIL
3	2020-21	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the Company as per section 135(5) : ₹ 292.43 crore

7. a. Two% of average net profit of the Company as per section 135(5) : ₹ 584.86 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) : ₹ 584.86 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).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).			
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
586.88	NIL	N.A.	N.A.	NIL	N.A.

Annexure "G" to the Directors' Report

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

(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).	Mode of implementation Through implementing agency. Name. CSR Registration number	
1.	Art & Culture	Clause v	No	Various	Various	51.00	No	Maharishi Vedvyas Pratishtan	CSR00002814
2.	Art & Culture	Clause v	Yes	Chhattisgarh	Raipur	6.11	Yes		
3.	Education	Clause ii	Yes	Chhattisgarh	Various	11.00	No	Friends of Tribal Society	CSR00001898
4.	Education	Clause ii	Yes	Chhattisgarh	Raipur	95.00	No	Shri Ram Kishore Sarda Seva Trust	CSR00011028
5.	Education	Clause ii	No	Various	Various	11.00	No	Esha Foundation	CSR00002614
6.	Education	Clause ii	Yes	Chhattisgarh	Raipur	13.14	Yes	--	--
7.	Environment sustainability	Clause iv	Yes	Chhattisgarh	Raipur	5.00	No	Akhil Bharatvarshiya Sadhumargi Sant Kranti Jain Sharavak Sangh	CSR00022904
8.	Armed forces veterans	Clause vi	Yes	Chhattisgarh	Raipur	0.10	Yes	--	--
9.	Healthcare	Clause i	No	MP/WB	Various	106.20	No	Parivaar Education Society	CSR00000052
10.	Healthcare	Clause i	No	Various	Various	11.00	No	Akshyapatra	CSR00000286
11.	Healthcare	Clause i	Yes	Chhattisgarh	Raipur	51.00	No	CG Vipshyana	CSR00025854
12.	Healthcare	Clause i	Yes	Chhattisgarh	Raipur	5.00	No	Narayana Hrudayalaya	CSR00004596
13.	Healthcare	Clause i	No	Various	Various	5.00	No	ABBM Maheshwari Relief Foundation	CSR00001475
14.	Healthcare	Clause i	Yes	Chhattisgarh	Narainpur	11.00	No	Ramakrishna Mission	CSR00006101

Annexure "G" to the Directors' Report

(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
15.	Healthcare	Clause i	Yes	Chhattisgarh	Various	112.29	Yes	--	--
16.	Livelihood	Clause ii	Yes	Chhattisgarh	Various	24.50	Yes	--	--
17.	Rural Development	Clause x	Yes	Chhattisgarh	Raipur	54.07	Yes	--	--
18.	Social Projects	Clause iii	Yes	Chhattisgarh	Durg/Bhilai	2.00	No	Feel Parmartham	CSR00025620
19.	Social Projects	Clause i	Yes	Chhattisgarh	Raipur	1.86	Yes	--	--
20.	Sports	Clause vii	Yes	Chhattisgarh	Raipur	0.38	Yes	--	--
TOTAL						576.65			

d. Amount spent in Administrative Overheads : ₹ 10.23 lakh

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

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 586.88 lakh

g. Excess amount for set off, if any :

Sl. No.	Particular	Amount (in ₹ lakh)
(i)	2% of average net profit of the Company as per section 135(5)	584.86
(ii)	Total amount spent for the Financial Year	586.88
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.02
(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)]	2.02

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	2018-19						
2	2019-20						
3	2020-21						
TOTAL							

NOT APPLICABLE

Annexure "G" to the Directors' Report

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			
	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)
 DIN: 00008190

Sd/-
Rakesh Mehra
 (Chairman CSR Committee)
 DIN: 00035812

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

	Sponge Iron Plant
i) Steps taken or impact on conservation of energy.	<p>i) Energy saving through enhancement of high mast tower at SID gate No. 1 & 2, 100 TPD kiln high bay & 500 TPD PSB. Total energy saved - 112835 Kwh.</p> <p>ii) Energy saving through enhancement of Kiln-C SAF Air delivery system in SID. Total energy saved - 51998 Kwh.</p> <p>iii) Installation of furnace cooling blowers in IFD for refractory cooling of furnaces after the completion of refractory life. This will help in energy saving as compressed air was being used earlier for refractory cooling. Total energy saving: 100000 Kwh.</p> <p>iv) Energy saving through replacing the HPSV lights with LED in Brick Plant. Total energy saved 33288 in FY-22.</p>
ii) The steps taken by the Company for utilizing alternate sources of energy.	<p>i) In Pellet plant installed 4 nos. of Gasifier units. Presently used pulverized coal from kiln injection will be replaced by clean producer gas. (Produced by new Gasifier units)</p> <p>ii) Electro Hydraulic Unit (EHU) commissioned for power screen (Model-1700). Presently run with diesel for screen of raw materials replaced with new EHU it run with electricity.</p>
iii) The capital investment on energy conservation equipment.	₹ 58.04 lakh

B. Technology absorption

i) The efforts made towards technology absorption	<p>i) Iron ore Beneficiation plant commissioned at pellet plant. This will enable us to upgrade the low-grade captive fines {Fe(t)<55%} to marketable grade {Fe(t)~63%}. We can increase the captive fines consumption by this technology.</p> <p>ii) In Sponge Iron out of 8 Shell air fans in Kiln C, 04 fans are operated through individual VVVF Drives for better optimization of air in each fan.</p> <p>iii) Inhouse mechanize loading arrangement (through conveyor) done in brick plant for fast loading of brick and to reduce the dependency of manual loading.</p>
ii) The benefits derived like product improvement, cost reduction, product development or import substitution	<p>i) In Pellet Plant Kiln pinion shaft & Girth gear of rotary kiln - Cost saved ₹ 43.94 lakh by import spare substitute developed M/s JM Gears instead of OEM M/s Tangshon Machinery & M/s Jiansu Hongda China.</p> <p>ii) In Pellet Plant Kiln support roller assembly - Cost saved ₹ 14.12 lakh by import spare substitute developed M/s JM Gears instead of OEM M/s Jiansu Hongda</p> <p>iii) Bucket elevator chain - Cost saved ₹ 14.96 lakh by import spare substitute developed M/s Tirupati Ancillaries Pvt. Ltd instead of OEM M/s Tangshan China.</p> <p>iv) In FAD & IFD installed liquid oxygen tank for tapping and casting by replacing the oxygen cylinder trolley. It helps to reduce the cost of oxygen. It is also hassle-free operation and having more safe work practice than previous one. It also overcome the difficulties of filling / short supply during the emergency situation.</p>

Annexure "H" to the Directors' Report

	v) In FAD after modification work of electrode column assembly the production volume increased substantially by utilizing the allotted load. To avoid charge starvation and to meet the demand of batch producing system we have modified the single pan weighing hopper system to individual weighing hopper system for each material to reduce the batch producing time. It is possible by changing the electrode magnetic feeder with electrode mechanical feeder and changing the speed of belt at both ends.
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	121.57
b) Foreign exchange outgo	259.97

On behalf of the Board of Directors

Raipur
30th July, 2022**(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. Kamal Kishore Sarda	Chairman & Managing Director	856.41	Contractual	BE. (Mech)	46 Years	16.12.1978	70 years	---	Mr. Pankaj Sarda
Mr. Pankaj Sarda	Jr. Managing Director	587.06	Contractual	BE (Ind. Engg.), MS (IA)	19 Years	01.04.2003	43 Years	---	Mr. K. K. Sarda
Mr. Padam Kumar Jain	WTD & CFO	142.71	Permanent	CA, CS, B. Com	36 Years	12.04.1997	59 Years	Somavia Organo Chem Limited	---
Mr. Sanjeev Agrawal	Plant Head	44.80	Permanent	BE (Mech)	33 Years	27.08.2007	58 Years	Torrent Power	---
Mr. A. K. Nanda	Head (Works)	42.56	Permanent	BSC-Engg	46 Years	03.08.2011	69 Years	Tata Sponge Iron Limited	---
Mr. Nilay Joshi	Head (Corporate Fin)	41.12	Permanent	MBA Finance	17 Years	11.03.2019	42 Years	RBL Bank Limited	---
Mr. Ajay Singhal	Head (Finance & Accounts)	32.96	Permanent	CA, B.Com	26 Years	15.10.2004	53 Years	GCMMF Ltd. (Amul)	---
Mr. Girish Kumar Lakhotia	Head - Project	32.91	Permanent	BE (Mech.)	21 Years	01.10.2001	60 Years	---	---
Mr. Pradeep Kumar Sarad	Head - Pellet	29.70	Permanent	BE (Electronics)	32 Years	04.01.2007	57 Years	Nixon Steel & Power Limited	---
Mr. Manoj Kumar Shah	Head - CMO	29.67	Permanent	BE	28 Years	2007.1994	51 Years	---	---

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	Mr. Padam Kumar Jain
Designation	Chairman & Managing Director	Jr. Managing Director	Wholesale Director & Chief Financial Officer
Remuneration received	₹ 856.41 lakh	₹ 587.06 lakh	₹ 142.71 lakh
Nature of employment, whether contractual or otherwise	Contractual	Contractual	Contractual
Qualification and experience	BE. (Mech.) Nearly 46 years of Industrial experience	BE (Ind. Engg), MS (IA) Nearly 19 years of Industrial experience	CA, CS, B.Com Nearly 36 years of experience in Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
Date of commencement of employment	16.12.1978	01.04.2003	12.04.1997
Age	70 years	43 years	59 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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

S. No.	Name of Director / KMP	Remuneration of Director/ KMP for F.Y. 2021-22 (₹ in lakh)	% increase in Remuneration in the F.Y. 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. K.K. Sarda	856.41	83.95	243.83
2	Mr. Pankaj Sarda	587.06	94.59	167.15
3	Mr. P.K. Jain – CFO & WTD	142.71	142.33	40.63
4	Mr. A.K. Basu	13.70	95.71	3.90
5	Mr. C.K. Lakshminarayanan	11.70	67.14	3.33
6	Mr. J. Balakrishnan	11.40	67.65	3.25
7	Mr. Rakesh Mehra	11.80	73.53	3.36
8	Ms. Tripti Sinha	8.50	123.68	2.42
9	Mr. Manish Sethi (CS)	17.38	28.36	N.A.

- ii) The median remuneration of employees of the Company during 2020-21 was ₹ 3.51 lakh.
- iii) In 2021-22, there was change of 0.01 lakh in the median remuneration of employees.
- iv) There were 1,369 permanent employees on the rolls of Company as on 31st March, 2022.
- v) Average % increase in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2021-22 was 9.87% as against NIL in the previous year. There was an increase of 90.97% in managerial remuneration for the same period.
- vi) The increase in remuneration of directors was mainly because of increase in the amount 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
30th July, 2022

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

Management Discussion and Analysis

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2021-22. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Report. This report is an integral part of the Directors' Report.

Industry Structure and Development

Global Economy

According to World Bank, compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation. This raises the risk of stagflation, with potentially harmful consequences for middle- and low-income economies alike. Elevated inflation is expected to persist longer, with ongoing supply chain disruptions and high energy prices continuing in 2022. Other global risks may crystallize with the surging geopolitical tensions, and the ongoing adverse climate conditions leading to the probability for natural disasters.

The global growth is expected to slump from 6.1% in 2021 to 3.2% in 2022. In 2023, disinflationary monetary policy is expected to bite, with global output growing by just 2.9%.

Indian Economy

The Indian economy has grown, braving the covid pandemic and the ongoing Russia-Ukraine conflict that led to global inflation. Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth of around 7.2%-8.0% in 2022-23.

However, the road ahead will not be a rosy one for the government as the cloud of price rises is looming large. Russia's invasion of Ukraine has resulted in higher oil and commodity prices that would contribute to rising inflation and widening of the current account deficit.

Iron and Steel

The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity, and significant change in retail consumer behaviour mainly in automotive and construction sectors. Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel. Global crude steel production reached at 1,951 Million tonne in 2021, which was higher by 70 Million tonne than 2020. While China continued to be the largest global crude steel producer, there were moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying normalcy in operations during the pandemic.

The ongoing war between Russia and Ukraine shall have region-based impact depending upon the amount of direct trade and financial exposure to Russia and Ukraine. The geopolitical situation, poses significant long-term implications for the global steel industry, including possible readjustment in global trade flows, shifts in energy trade and its impact on energy transitions and continued reconfiguration of global supply chains.

As per World steel, the impact will be felt globally via higher energy and commodity prices, especially raw materials used in steel production, and continued supply chain disruptions, which troubled the global steel prior to the war. Furthermore, financial market volatility and heightened uncertainty will undermine investment. These factors plus low growth in China have reduced growth expectations for global steel demand in 2022. Additional downside risks take the form of continued surge in virus infections in some parts of the world, especially China, and rising interest rates. The expected tightening of U.S. monetary policy will negatively affect financially vulnerable emerging economies.

Globally, steel demand will be slower in the current year to just 0.4% from 2.7% recorded last year. The outlook for 2022 and 2023 forecasts that steel demand will grow by 0.4% this year, reaching 1,840.2 million tonne, while 2023 will see additional growth of 2.2%, reaching 1,881.4 million tonne. The expectation of a continued and stable recovery from the pandemic has been shaken by the war in Ukraine and rising inflation.

Management Discussion and Analysis

Global construction activity continued to recover from the lockdowns to record growth of 3.4%, despite the contraction in China in 2021. The recovery was driven by an infrastructure push as part of recovery programs in many countries. These and investments related to the energy transition likely will drive the construction sector's growth for years to come. However, the construction sector faces some headwinds from rising costs and interest rates.

As per World Steel Association, boosted by higher spends on infrastructure and gradual revival of the automotive sector, India's steel demand growth will be the highest in 2022 at 7.5% among top consuming nations, including China and the US. In its short-range outlook, World Steel Association has forecasted India's steel demand at 114 million tonne in 2022 compared with 106 Million tonne a year earlier. Further, the report also states that in 2023, India's steel demand growth will be the second highest at 6% after Germany.

In 2022, construction and manufacturing (of India) will likely be supported by spending on infrastructure and a gradual revival in automotive production, with an expected improvement in semiconductor supply. Expected raw material supply constraints in the international market will result in higher domestic mining output and support the capital goods sector.

Iron Ore

COVID-19 pandemic triggered acute declines in iron ore prices, mainly due to a collapse in iron ore demand. Short and long-term supply were also disrupted by mine closures and a wave of capital spending cuts in the mining sector. At the beginning of the year, iron ore prices increased owing to increased demand driving business sentiments. Around August 2021, the prices came under pressure following China's real estate crisis. In the second half of the year, the prices continued to be volatile. Iron ore prices closed the year on a decline as the Chinese government's carbon emission policy directing steel plants to slash output, weighed heavily on trade sentiments.

The global iron ore production is forecasted to reach 3.17 billion tonne in 2026, experiencing growth at a CAGR of 5.59% during the period spanning from 2022 to 2026. The global iron ore demand from blast furnaces & DRI is predicted to grow at a CAGR of 4.14%. In 2026, the demand is expected to reach 2.94 billion tonne.

India ranks fourth globally in terms of iron ore production. Iron ore production in India in has witnessed an increase in the year under review as compared to previous year. The Government has taken various steps to increase production and availability of iron ore, which inter-alia include Mining and Mineral Policy reforms to ensure enhanced production, early auction and operationalization of expired mines, ease of doing business, seamless transfer of all valid rights and approvals, incentivizing for starting of mining operation and dispatch, transfer of mining leases, allowing captive mines to sell upto 50% of the minerals produced, enhancing exploration activities, etc. Export duty of 30% has been levied on low grade iron ore (lumps and fines) to ensure supply to the domestic steel industry.

Iron ore pellets market size was estimated to be valued at USD 60.4 billion in 2020 and is anticipated to exhibit 3.4% CAGR during the forecast period. The market is projected to reach 579.0 Million Tonne while hitting a CAGR of 3% in terms of volume.

Out of the total 110 million tonnes installed annual capacity for pellets in India, 72 million tonnes are with top integrated steelmakers, and the rest 38 million tonnes are with the smaller steelmakers and merchant pellet makers. India exported more than 11 million tonnes of pellets in FY22, accounting for almost 15% of its overall pellet production. Introduction of export duty of 45% on export of iron ore pellets and 50% on iron ore from 22nd May 2022 has severely hit the exports resulting into oversupply in domestic market and consequent fall in prices.

The COVID-19 epidemic has made severe impact on the global iron ore pellets market. Supply chain interruptions, nationwide lockdown, and production shut down has made significant impact on the industry. The global economy is expected to have a significant comeback, which would likely boost the iron ore pellets industry's growth in the near future. Moreover, the Chinese government has been planning to shut down the illegally operating induction furnace steel-producing facilities, which will positively influence the market expansion in the coming years.

Stringent regulations and the rising need for low carbon emissions from the steelmaking sector will further fuel the consumption of iron ore pellets. This is mainly attributable to their superior properties than other forms such as lumps or sinter. These offer higher iron content with lower fuel consumption and significantly enhance the productivity levels in the steel-making industry.

Augmented concern over the rising level carbon footprint coupled with increasing efforts to diminish the emission of green house gases is likely to propel growth of the global iron ore pellets market in the forthcoming years. Another key factor playing an important role in the growth of the market is the benefits of iron ore pellets over its substitutes. High mechanical strength and high resistance to abrasions, reduced consumption of coal, and improvement in the productivity are all likely to augur well for the market in the near future.

Management Discussion and Analysis

However, the market growth would be challenged by trade war and increased prices of raw materials, and huge capital requirements. The market is anticipated to experience certain trends like mining technology, increasing demand for light vehicles for automotive steel, and rising demand for low grade iron ore.

The Company has ensured uninterrupted supply of iron ore through its fully operational captive iron ore mine in Chhattisgarh which operated smoothly during the year under review. During the year, the Company received 3.54 lakh Metric tonne of iron ore from its mine. 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 which operated smoothly during the year.

Coal/ Power

Coal faces headwinds globally and there are two main types of opposition to coal. First is the concern over coal's externalities, both local pollution and greenhouse gas emissions with global consequences. Second is the belief that India doesn't need as much coal, as renewables now provide a cheaper alternative, and coal represents a risky and expensive investment.

With clean energy, and meeting net zero targets becoming imperative for the world at large, transformation of the global power sector is gaining ground. New benchmarks are being set across a range of segments and sectors, ranging from mining, automobile, telecom, IT, and so on decarbonization continues to fuel exponential growth in renewable capacity installations and carbon capture and storage (CCS) is becoming the new norm, with a focus on climate change amidst increased pace of industrialization.

India has a balanced energy basket and coal sector is an important contributor in fulfilling nation's energy needs. The sector is not only committed to meet coal demand in the country but also sensitive towards building a sustainable ecosystem. Coal-based capacities continue to dominate India's total installed capacity, accounting for half of the capacities installed, though the share has been consistently declining over the past ten years from 56% in FY12 to about 52% in FY22. India's new thermal capacity installations have come down significantly with only 1.3 GW net additions in FY22, contributing to less than 10% of total capacities installed, indicating a slowdown of the sector with movement towards clean energy. This is also evident in the PLF of thermal plants that have witnessed a declining trend in the last decade, falling from 73.3% in FY12 to 58.8% in FY22.

India's installed generation capacity stands at 399.5 GW as on 31st March, 2022, with capacity addition of more than 17 GW in FY22 compared to 12 GW during FY21. The capacity additions in FY22 happened majorly in the renewables segment, led by solar. Renewables accounted for 90% share of the incremental capacity addition in FY22, up from 61% in the previous year. India's power sector is among the most diversified in the world. India's electricity policy is driven by the goal to provide a smooth and universal power supply at an economical rate and increase the share of renewable energy in keeping with the nation's international commitments. Compared to key economic powers, India has a vast headroom to achieve economic progress and growth in electricity consumption.

Despite steep rise in actual demand of coal from 956 Million tonne in 2019-20 to 1027 Million tonne in 2021-22, coal imports have not increased. Coal import grew at a compound annual growth rate (CAGR) of 22.86% during the period 2009-10 to 2013-14. At this CAGR, coal imports would have reached 705 Million tonne in 2020-21 and further to 866 Million tonne in 2021-22. The import of coal could be checked only by sustaining increased domestic supply over the years. Coal imports, which had reached a peak of 248 Million Tonne (MT) in 2019-20, declined to 209 Million tonne in 2021-22. Coal produced by Coal India Limited (CIL), and its subsidiaries, increased by 4.4% during FY22 to 623 Million tonne (from 596 Million tonne in previous fiscal). Overall, Coal Production Increased by 61 Million tonne During 2021-22.

Despite improved production, domestic thermal power sector faced massive supply crisis as fuel supplies could not keep pace with the rebound in demand for electricity, as economic activities picked up post COVID. Sharp rise in global coal price (127% in 2021) deterred import of coal, putting further pressure on demand for domestic coal. The war between Russia and Ukraine has further aggravated the situation, with a sharp upward movement in global coal prices.

India's demand for coking coal, used in steelmaking, is growing at a faster clip, and the country imports the bulk of its requirements from Australia. Western sanctions on Russia and its ejection from the SWIFT payment system, coking coal supplies from Russia have been hit triggering a spike in the price. India's overall coking coal imports total 50-55 million tonne, with overseas purchases rising 4% annually. To reduce its import dependence on Australia, India last year agreed with Russia to import coking coal, which accounts for about 40% of the total cost of steel production.

Fossil fuels pollute the air with greenhouse gases, which have a damaging effect on the environment. This is where renewable energy comes in. Renewable energy is a cleaner, natural, more sustainable, cost efficient and a recyclable

Management Discussion and Analysis

alternative for powering homes, gaining traction from the government and businesses. As a result, green energy has now emerged as a favorable alternative to conventional energy and there has been a progressive shift towards renewable sources.

India's power market is undergoing a significant transformation, owing to the efforts taken by the government to improve electricity access in the country, along with its plans to increase the share of renewables in the country's power generation mix. India's green push gained momentum during the year, intensifying further with the COP26 Conference at Glasgow. Driven by its commitment towards climate change, India made a historic announcement of becoming net zero emitter by 2070, and having 500 GW of non-fossil capacity by 2030, meeting 50% of energy requirements from RE by the said period. While the Indian power sector was relatively less affected by the COVID-19 pandemic, it witnessed its own share of issues during the year as the lingering effects of the pandemic induced supply disruptions during the year.

Renewable energy's share of all new generating capacity rose considerably for the second year in a row. More than 80% of all new electricity generating capacity added last year was renewable, with solar and wind accounting for 91% all of new renewables, as stated in Renewable Capacity Statistics 2021.

The focus on renewable energy sector has led to steady growth of India's renewable energy capacity over the years. The total installed renewable energy capacity of the country has been on the rise from 12% share in FY12 to 28% in FY22, crossing the 100 GW mark in FY22. The Government of India's focus to attain 'Power for all' accelerated capacity addition in the country. However, despite the steady growth in generation capacity, per capita annual power consumption in the country was 1,276 kWh in FY21, which was significantly lower than world average and that of other developing countries. However, as India's GDP was expected to grow significantly over the next two decades on the back of demographic strength, per capita consumption of electricity is expected to rise to approximately 3000 kWh by 2040. India's continuous push towards adopting green energy, coupled with a rising demand for electricity, could catalyse the growth of renewable energy companies.

The reason behind the government's encouragement to the renewable energy sector is its growing population which will result in rapid growth of energy consumption in the country. At the same time, there will be an increasing focus on adverse effects of climate change. India will make up the biggest share of energy demand growth at 25% over the next two decades and it is expected to reach a value of 15,280 TWh by 2040. This could cause a huge strain on conventional energy sources, which could intensify pollution, people's health and environment health. To safeguard this situation, the government has continued to focus on its renewable energy plans and announced various new projects, implemented power purchase agreements and enhanced import tariffs on green energy products, catalysing the growth of the renewable energy industry. Moreover, the focus is also on strengthening the concept of Make in India and empowering Indian companies to grow their global exposure, highlighting India's broader potential to accelerate its clean energy transition.

At SEML, we have captive thermal power plants to cater to the power requirement. The Company, through its subsidiaries also operates Hydro Power plants with capacity of nearly 142 MW. The Company is increasing hydro power generation by installing new plants. The Company with its presence in hydro power segment, is ready to contribute its share in controlling environment pollution by generating green energy.

Ferro Alloys

The global ferro alloys market size was valued at USD 42.7 billion in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 7.1% from 2021 to 2028. Incessant production of steel around the world is projected to benefit market growth. Ferroalloys are used in steelmaking to improve the specific properties such as fatigue strength, tensile strength, corrosion resistance, and ductility of steel products.

Nearly 85 to 90% of all the ferroalloys are used in the production of steel. Infrastructure investment plans in different countries around the world is likely to benefit the crude steel demand and thus ferro alloys.

Replacement of stainless steel by carbon fibers is projected to restrain the market growth for ferroalloys market. Carbon fibers are widely being used in automotive industry due to their lightweight, high strength, and load-bearing properties. Carbon fibers reduce the weight of a car by almost 30%. Growing importance of lightweight vehicles has made carbon fiber the most desired material. Automation associated with the manufacturing process further makes carbon fibers a brighter prospect compared to stainless steel.

High energy consumption for producing ferroalloys along with monitoring required to maintain the product quality increases overall cost of production. Also, there are many stringent environmental regulations, and industry standards mandated by various regulatory bodies for the iron and steel production industries. These factors, altogether, will hinder the ferroalloy market growth in coming years.

Management Discussion and Analysis

Opportunities and Threats

Opportunities

Low per capital consumption of steel, coupled with government's target of producing 300 Million tonne of steel by 2030 gives ample scope for iron & steel industry. The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up.

Demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising infrastructure development activities. The government has planned investments in roads, railways, metro connectivity, industrial parks, industrial corridors, DFC, transportation of water, oil and gas, transmission towers and affordable housing. All these sectors will drive demand for steel.

India is the world's third-largest energy consuming country. As India recovers from a Covid-induced slump, it is re-entering a dynamic period in its energy development. Over the coming years, millions of Indian households are set to buy new appliances, air-conditioning units and vehicles. Rapid growth in number of Electric Vehicles will boost demand for electricity dramatically. India could soon become the world's most populous country. To meet growth in electricity demand over the next twenty years, India will need to add a power system the size of the European Union to what it has now.

According to the Global Climate Risk Index, India is ranked seventh on the list of countries most affected by climate change in 2021. To address the environment commitment, the Indian government is working on energy efficient programs e.g. Gram Ujala, an ambitious scheme offering the world's cheapest LED bulbs in rural areas at mere ₹ 10/-, advancing its climate change policy and boosting its self-reliance credentials. Further, India could reach its target of generating 500 GW non-fossil green energy by 2030.

Renewable energy is more scalable and a better fit to address global warming. It is cleaner, more sustainable, easier to install and recyclable. It doesn't carry the burden of any catastrophic damages. Therefore, abundance of renewable energy resources in the most underdeveloped areas will result in increasing national productivity. The government plays an active role in promoting the adoption of renewables and recognizes that green energy is a future-forward alternative to address India's growing power demand while ensuring environmental sustainability.

The government also offers various incentives and encourages private sector investments to address the growing energy demand and consumption in India. The Government of India has projected that the overall demand for coal would far exceed the domestic supply in the current financial year. The development assumes significance in the wake of certain parts of the country grappling with power outages in the wake of coal shortage, which has compelled companies to import dry fuel for the first time in seven years to meet the demand of power plants. Availability of coal from the mines acquired by the Company opens abundant growth opportunities.

Threats

In FY22, Indian mills recorded a 25% year-on-year growth in finished steel exports as they took the benefit of elevated seaborne prices. Europe, Vietnam and the Middle East were the three largest destinations for Indian steel exports, together accounting for around 50% of India's overall steel exports.

However, due to imposition of export duty on finished steel products and hike in duty on iron ore and iron ore pellets, India's steel exports are expected to decline drastically year-on-year in the financial year 2022-23, after two back-to-back years of earnings surge witnessed by steelmakers. The decline is likely to be more pronounced in highly competitive markets like Southeast Asia and the Middle East compared to Europe, where export offers typically are higher.

Steel companies are now staring at a significant decline in earnings over the next twelve months as the industry faces multiple headwinds emanating from trade barriers from export duty on finished steel, unprecedented energy cost pressures, and muted domestic demand growth. The steel industry is expected to be on the way to an accelerated mean reversion as the operating environment becomes far less attractive. The situation is further accentuated by high inflation, front-loading of policy rate hikes and lower margins getting squeezed between lower steel prices and elevated input costs.

While demand has remained weaker than expected at the start of year, a pick-up in infrastructure spending in core sectors like railways, roadways, multimodal logistics parks, and energy has the potential to spur demand for steel in the second half of the fiscal, especially with the significant fall in domestic steel prices.

Management Discussion and Analysis

The Coal industry is also facing issues like - growing preference for renewable power, hesitation of state DISCOMs to tie power demand through long-term PPAs, volatile international coal prices and inability of domestic coal miners to enhance production. Another pressing issue to be addressed is the turnaround of Discoms who are plagued by several issues like high AT&C losses, insufficient tariff hikes widening ACS-ARR gap, accumulation of regulatory assets, thus impacting the financial position of Discoms, resulting in rise of pending dues to Gencos. The government announced multiple schemes and decisions towards addressing the issues in the distribution sector.

Outlook

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Beyond 2023, global growth is forecast to decline to about 3.3% over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7% in advanced economies and 8.7% in emerging market and developing economies. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

The Indian steel sector outlook, on the back of strong domestic demand from the government and private sectors, is likely to remain firm amid concern of global demand uncertainties in the current fiscal. However, high raw material inflation would result in elevated prices and moderation of volume and margin.

Large public infrastructure investments planned over the next 2 years will encourage more private investment. Together with the PM Gati Shakti initiative to improve India's logistics infrastructure, increased financial and technical support to states to expand capital investment will boost infrastructure spending and help spur economic growth. Private consumption will pick up as labor market conditions improve. Forecasts are based on a normal monsoon, which, coupled with rising wheat prices, is expected to boost agriculture output and improve farmers' income. The government's production-linked incentive scheme will provide a thrust to the manufacturing sector in FY2023.

Inflation is projected to increase to 6.7% in FY2023 amid rising oil and food prices. While monetary policy will remain accommodative, the central bank has started hike in policy rates due to tightening of the United States federal funds rate, rising inflation and elevated oil prices.

Across the next three years, capital expenditure in core sectors - cement, metal, oil refining and power - should be about 5 trillion. Besides, the government's production linked incentives (PLI)-led capital expenditure should generate an incremental 1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles. A multi-year revival in capital investments comprises USD 500 billion investments projected for the wind and solar infrastructure, energy storage and grid expansion segments. As per estimates from World Bank, the Indian economy is projected to grow by 8% in FY 2023.

The availability of reliable and economic power supply is a major driver of comprehensive growth. It is an essential factor for improvement in the human development index and industrial growth. Power demand in India is expected to witness sustainable growth owing to the government's thrust on Make-in- India, growth in disposable incomes and standard of living as well as growing industrialization. India's peak electricity demand is expected to be around 340 GW by 2030 compared to a peak demand of 203 GW in 2021.

As per NITI Aayog's report, the overall coal-based power generation capacity in India is expected to peak at 250 GW by 2030; While coal based thermal power generation will grow, its share in the total power generation mix of the country could decline due to the shifting capacity mix with a growing share of renewable energy following the Indian Government's commitment to increase the share of renewables.

The headwinds notwithstanding, as per RBI, India is likely to remain the fastest growing major economy, with the expansion of economic output pegged at 7.2%. Withdrawal of COVID-19 restrictions and normalization of the economy has led to a broad - based recovery across sectors. Most sectors, excluding services, are now at pre-COVID levels. Infrastructure and manufacturing initiatives by the government are supportive of growth, and healthy tax collections provide the government with enhanced flexibility. Realignment of global supply chains will continue to provide opportunities to grow exports. The vaccination programme having covered majority of the population, massive infrastructure spending, benefits of supply-side reforms, easing of regulations, robust exports and the availability of fiscal space to ramp up spending across several key sectors, provides a platform for witnessing higher economic growth.

However, a prolonged Russia-Ukraine conflict, higher energy costs, elevated commodity prices resulting in higher inflation and rate hikes by the Reserve Bank of India, will be dampeners to growth. The Government has consistently focused on curbing inflation with various fiscal policy measures.

Management Discussion and Analysis

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
Foreign Exchange risk -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 -Avoiding exotic derivative structures
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.
Input risk -Procurement of raw materials at the right cost and in the right time.	-Captive mineral resource – iron and coal -Integrated business model making end product of one business to be positioned as the raw material of another - Long term coal linkage -Creation of a self-feeding ecosystem, costing and logistic issues
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 / Health related disruption -Healthy and safe working of workmen	-Regular health check-ups - Regular safety audit by independent team and compliance review. Safety trainings, promoting near miss reporting and corrective actions. Preventive maintenance of machines and equipment to avoid any unforeseen accidents -Adequate arrangements of firefighting system and dispensaries to address emergency situations

Management Discussion and Analysis

System / Cyber Security risk System capability, System reliability and Data integrity risks	<ul style="list-style-type: none"> - Maintenance and upgrading of systems on a continuous basis - Data security through access control restrictions - Regular data backup - Use of antivirus softwares and firewall system
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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

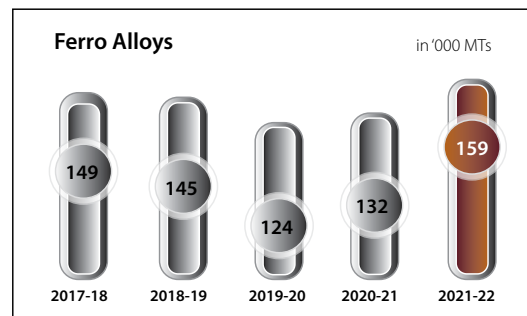
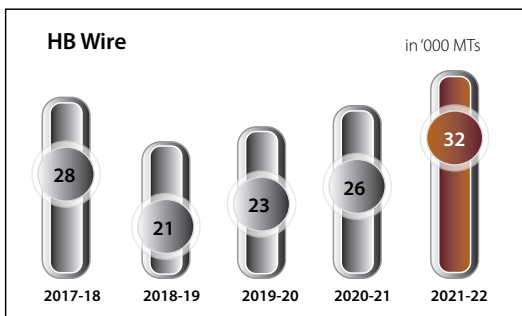
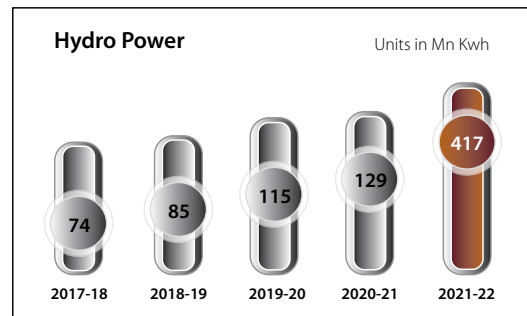
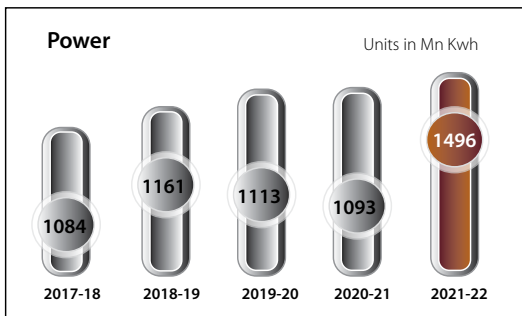
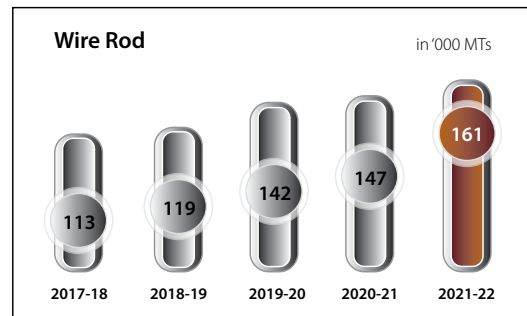
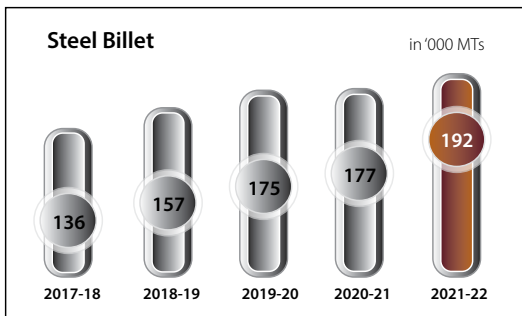
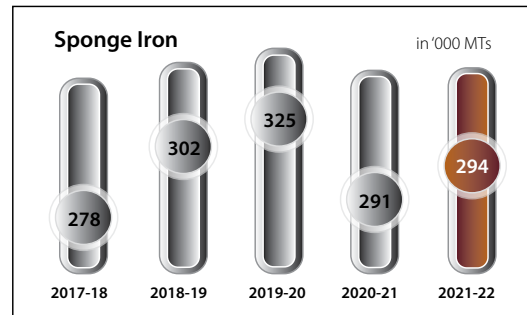
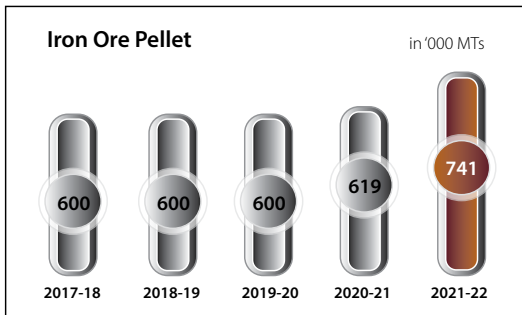
During the year under review, the operations were better than the previous year. During the year, pellet production increased by 20%, Billet production increased by 9%, Wire rod production by 10%, HB wire production by 23%, Ferro Alloys production by 20%, power generation increased by 37% and iron ore production by 13%. Increase in power generation was mainly due to commercial operations of 113 MW Hydro power plant in Sikkim operated by subsidiary of the Company and as such is not comparable. During the year, the Company also commenced operations at its coal mine in Raigarh, Chhattisgarh. During the year, the Company operated all its plants at optimum capacity.

The consolidated product wise performance matrix for the year 2021-22 is summarized hereunder:

Product	Production (Metric tonne)		Sales (Metric tonne)		Captive consumption (Metric tonne)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Pellet	7,41,000	6,19,055	4,88,057	4,26,118	2,65,645	1,80,670
Sponge Iron	2,94,203	2,91,282	1,21,252	1,30,773	1,76,652	1,61,573
Steel Billet	1,92,283	1,76,630	25,688	25,628	1,66,085	1,51,360
Wire Rod	1,60,945	1,46,950	1,27,813	1,21,214	32,528	26,812
HB Wire	32,393	26,282	31,930	27,179	-	-
Ferro Alloys	1,59,483	1,32,391	1,53,301	1,35,134	3,555	2,683
Power (Mn Kwh)	1,496	1,093	493	233	917	812
Iron Ore	2,99,042	2,63,554	-	-	3,54,180	3,41,435
Coal	7,86,142	-	2,09,995	-	1,86,473	-

Management Discussion and Analysis

Consolidated Production performance



Management Discussion and Analysis

Financial Performance vis a vis Operational Performance as per standalone financials

Ratio	2021-22	2020-21	% Change	Reason
Debtors' turnover (no. of days)	12	16	25%	Lesser sale on credit / under LC
Inventory turnover (no. of days)	60	93	35.48%	Reduction in stock of raw materials
Interest coverage ratio	42.29	13.47	213.95%	Increase in profit
Current ratio	4.47	3.39	31.86%	Improved liquidity on the back of improved profitability
Debt equity ratio	0.06	0.13	53.85%	Repayment of term loans
Operating profit margin (%)	22.29	12.58	77.19%	Improved profitability, better sales realizations
Net profit margin (%)	24.97	18.59	34.32%	
Return on net worth (%)	24.97	14.75	69.29%	

Turnover

During 2021-22, the Company achieved a turnover of ₹ 2,641.95 crore on standalone basis as against ₹ 1,594.96 crore in the previous year, up by 65.64%. At the consolidated levels, the turnover in 2021-22 was ₹ 3,914.02 crore as against ₹ 2,198.81 crore in the previous year, increasing by 78%. Increase in selling prices coupled with increase in volume contributed to higher turnover.

Breakup of revenue (% Product wise)

Product	2021-22	2020-21	2021-22	2020-21
	Standalone		Consolidated	
Ferro Alloys	25.05	20.83	40.24	38.93
Steel – billets, wire rods and HB wire	33.40	38.85	22.55	28.18
Sponge Iron	13.69	14.55	9.24	10.56
Pellet	23.37	20.86	15.77	15.13
Power	0.08	0.11	7.57	3.57
Others (including eco bricks and trading)	4.41	4.80	4.63	3.63
Total	100.00	100.00	100.00	100.00

Breakup of consolidated revenue (Entity wise)

(₹ in crore)

Company	2021-22	2020-21	Product
Sarda Energy & Minerals Limited	2,596.75	1,566.02	Steel, Ferro alloys & Thermal Power
Sarda Metals & Alloys Limited	1,046.04	554.43	Ferro Alloys & Thermal Power
Madhya Bharat Power Corporation Limited	194.18	-	Hydro Power
Chhattisgarh Hydro Power LLP	55.89	56.02	Hydro Power
Sarda Energy Limited	10.90	14.17	Share of profit from LLP
Parvatiya Power Limited	8.67	8.17	Hydro Power
Sarda Global Trading DMCC	1.59	-	Trading activities
Total	3,914.02	2,198.81	

Exports

During 2020-21, ferro alloys exports stood at 91,207 Million tonnes as against 49,031 Million tonnes 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 10,310 Million tonne (PY 1,456 MT).

Management Discussion and Analysis

(₹ in crore)

	2021-22	2020-21	Reason(s) for change
Standalone			
Finance cost	22.42	34.49	Reduced due to repayment of loans and lower utilization of working capital limits.
Depreciation	53.57	48.16	No material change. Change in the normal course
Other Expenses	215.72	181.65	Increased mainly due to increase in stores & Spares consumption and material handling expenses
Consolidated			
Finance cost	147.12	79.10	Increase mainly on account of commencement of commercial operation of 113 MW hydropower project from 30 th June 2021. Other expense also went up due to increased carriage outward expense on increased export.
Depreciation	143.16	75.05	
Other Expenses	359.77	243.49	
Profitability			
EBIDTA - Standalone	952.56	464.54	Increase in sales volume and increase in realizations.
Consolidated	1,398.30	660.06	Standalone profit included profit share from LLP of ₹24.07 crore which gets nullified in the consolidated results.
PBT – Standalone	876.57	381.89	
Consolidated	1,106.49	491.39	Increase in consolidated profits is due to improved contribution by WOS.
PAT – Standalone	659.78	296.54	
Consolidated	806.70	376.42	

Non-Current Assets

(₹ in crore)

	2021-22	2020-21	Reason(s) for change
Property Plant & Equipment			
Standalone	Gross – 926.25	Gross – 814.83	Normal capex
	Net – 589.17	Net – 528.09	
Consolidated	Gross – 3,521.67	Gross – 1,689.13	In consolidated, capitalization of entire hydro power plant assets consequent to commencement of commercial operations of Madhya Bharat Power Corporation Limited
	Net – 2,952.68	Net – 1,256.20	
Capital work-in-progress			
Standalone	67.90	65.68	No material change
Consolidated	132.54	1,616.31	Reduction mainly on account of capitalization of hydro project of Madhya Bharat Power Corporation Limited commissioned in June 2021
Investments			
Standalone	887.16	820.35	Increase due to fresh investments in Madhya Bharat Power Corporation Limited
Consolidated	48.27	51.39	No material change.
Loans & Advances			
Standalone	184.51	97.35	Increase due to increase in loans to related parties
Consolidated	-	-	
Other financial assets			
Standalone	1.00	1.52	Reduction on account of reduction in amount given as security deposits.
Consolidated	8.92	2.80	Increase due to increase in bank deposits
Other non-current assets			
Standalone	65.98	32.16	Increase due to increase in capital advances for gasifier plant and purchase of land
Consolidated	96.30	62.03	

Management Discussion and Analysis

Current assets

(₹ in crore)

	2021-22	2020-21	Reason(s) for change
Inventories			
Standalone	429.14	439.36	No material change
Consolidated	612.97	578.96	Increase due to increase in stock of finished / semi-finished goods
Investments			
Standalone	274.04	92.23	Increased due to investments of surplus funds generated from operations and mark-to-market gain.
Consolidated	451.90	214.76	Increase due to mark-to-market gain and investments.
Trade receivables			
Standalone	92.84	78.09	Increase due to increase in sales volume
Consolidated	168.75	138.24	
Bank and Cash Balances			
Standalone	23.41	3.41	Increase due to balances in current accounts and FDR
Consolidated	281.54	97.57	Increased due to increase in short term FD with bank
Loans and advances			
Standalone	384.79	296.14	Increased due to increase in loans to subsidiaries and related entities
Consolidated	431.05	307.65	Increased due to increase in loans to related entities and claims & recoverable
Other current assets			
Standalone	175.08	135.56	Increase due to upfront fees for Raigarh coal mine which has been subsequently adjusted against the revenue share payable on dispatch of coal.
Consolidated	207.97	162.33	

Non-current Liabilities

(₹ in crore)

	2021-22	2020-21	Reason(s) for change
Borrowings			
Standalone	142.84	218.12	Reduction due to repayment of loans
Consolidated	1,195.96	1,492.62	

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. Recently, the rating of the Company has been updated to AA-/Stable for long term loans and A1+ for short term loans.

	2021-22	2020-21	Reason(s) for change
Other long-term liabilities			
Standalone	3.17	2.93	Increase in security deposit from vendors
Consolidated	9.74	7.83	Reduction in security deposit from vendors and deferred free power obligation of Madhya Bharat Power Corporation Limited
Provisions			
Standalone	30.41	2.42	Increase due to increase in provision for mine site restoration expenses
Consolidated	34.27	9.07	

Current liabilities

(₹ in crore)

	2021-22	2020-21	Reason(s) for change
Short term borrowings			
Standalone	27.69	51.84	Reduction due to NIL utilization of working capital limits on account of sufficient liquidity and reduction in current maturities of long-term loans
Consolidated	220.93	108.29	Increase is due to increase in current maturities of long-term loans of 113 MW hydropower project

Management Discussion and Analysis

	2021-22	2020-21	Reason(s) for change
Trade payables			
Standalone	142.03	164.50	Lower due to reduction in outstanding amount to creditors
Consolidated	212.24	205.35	No material change
Other financial liabilities			
Standalone	90.53	64.02	Increase due to increase in commission to directors, bill discounting and provisions for expenses
Consolidated	168.63	137.99	Increase in commission to directors, bill discounting and expenses payable
Other current liabilities			
Standalone	38.60	22.95	Increase mainly due to increase in indirect taxes payable and advance
Consolidated	46.71	28.15	from customers
Provisions			
Standalone	1.57	0.75	Increase due to increase in provision for gratuity
Consolidated	2.61	6.09	Lower mainly due to reduction in provisions for expenses

Material Developments in Human Resource/Industrial Relations

Efficient management of Human Resources is very important to remain successful. Safeguarding employees' health, productivity and business continuity, especially in the context of the current COVID-19 pandemic situation has taken a centre stage. As compared to last financial year, the second wave of COVID-19 pandemic was a disaster claiming many lives across the world. The Company came forward and supported the society in best possible manner by providing / arranging for treatment, food and support for livelihood. The Company also supported towards mass sanitization in villages through its fire tenders. The efforts are being continued as an ongoing process.

The Company continuously counseled its employees and contract workers and their families about health & safety precaution to be followed to avoid getting affected by COVID-19 virus. The Company pursued vaccination of its workforce and their family members and achieved the vaccination coverage of 100% of its employees. Scheme was introduced to support the family of employees who succumbed to death due to COVID. COVID-19 brought digitalization into sharp focus with various steps taken to digitalize the working to ensure employee safety & wellbeing and new way of working. The employees also acted pro-actively during these times and exercised utmost care toward their own health and also about the health of their families and colleagues. The Company had followed scattered shift attendance, compulsory temperature and oxygen level checking of all persons entering through the main gate into office as well plant.

The Company has a culture of working together through joint consultation between employees and Management and has a very strong commitment towards community development. Its' people practices have enabled the Company in creating an environment of collaboration and connect which has aided the Company in achieving industrial harmony.

The Company is committed to improving the quality of life of the communities it serves through long-term stakeholder value creation. Multiple initiatives for skill building of employees were undertaken during the year. The Company achieved an average training of 1.93 man-days per employee.

During the year, 6 Quality Circle teams of the Company have participated in CCQC-2021 (Chapter Convention on Quality Concepts) which was organized virtually and all the teams won "Gold Award". In NCQC-2021 (National Convention on Quality Concepts), 6 QC Teams have participated and five of them won "Par Excellence" award and one team won "Excellence" award. In ICQC-2021 (International Convention on Quality Concepts), 3 teams have participated and all of them won "Par Excellence" award which was physically held in Hyderabad.

During the year, the Company has:

- Continued to operate and maintain, Mobile Medical Van to strengthen community health services and benefitted 9,016 patients.
- Donated 12 Ambulances to Parivaar Education society.
- Organized health check-up camps and awareness programmes on health issue and boosting of immunity etc.
- Watershed development initiative through pond deepening in 2 villages (Tanda & Murethi) and created & maintained rainwater harvesting structures.

Management Discussion and Analysis

- Organized Women's Empowerment Training to promote Income generation activities at village level with Central Board of Workers Education, benefitting 122 women across 3 villages.
- Renovated and equipped the Govt College of Dharsiwa with modern Chemistry lab.
- Constructed room for delivery with all amenities at Siltara village adjacent to PHC.
- Provided scholarships to meritorious students.
- Provided portable drinking water supply to nearby villages during summer period. Also providing continuous water supply to Siltara village community for drinking and other daily use.
- Initiated High Performance Team for the WRM Division employees for capacity enhancement of individuals and team.

As of 31st March 2022, the total number of employees on permanent Company rolls stood at 1,369 (excluding trainees) as compared to 1,210 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 whole time promoter directors, one wholetime professional director, and five 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 2022, 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/Wholetime	11	4	6,91,107
Mr. Padam Kumar Jain	Professional/Wholetime	3	1	10,073
Mr. Asit Kumar Basu	Independent	3	5	4,000
Mr. C.K. Lakshminarayanan	Independent	3	3	8,000
Mr. Jitender Balakrishnan	Independent	7	5	1,667
Mr. Rakesh Mehra	Independent	1	1	10,637
Ms. Tripti Sinha	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.

[^] 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. Six meetings of the Board of Directors were held during the year ended 31st March 2022 as given hereunder:

i)	22nd May, 2021	ii)	31st July, 2021	iii)	23rd September, 2021
iv)	30th October, 2021	v)	5th February, 2022	vi)	8th March, 2022

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2022 and at the last Annual General Meeting is as under :

Corporate Governance Report

Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. Kamal Kishore Sarda	6	Yes
Mr. Pankaj Sarda	6	Yes
Mr. Padam Kumar Jain	6	Yes
Mr. Asit Kumar Basu	6	Yes
Mr. C.K. Lakshminarayanan	6	Yes
Mr. Jitender Balakrishnan	6	Yes
Mr. Rakesh Mehra	6	Yes
Ms. Tripti Sinha	6	Yes

2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31st March 2022):

S. No.	Name	Name of the Company	Designation
1.	Mr. K.K. 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. C.K. Lakshminarayanan	NIL	NA
6.	Mr. Jitender Balakrishnan	India Glycols Limited	Independent Director
		Polyplex Corporation Limited	Independent Director
7.	Mr. Rakesh Mehra	NIL	NA
8.	Ms. Tripti Sinha	NIL	NA

2.4 List of Core Skills / Expertise / Competencies of directors

The 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 46 years of experience	Iron & Steel, Mining, Strategic Planning
2	Mr. Pankaj Sarda	MS in Industrial Administration Nearly 19 years of experience	Strategic Planning, Production, Operations, General Management
3	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 36 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
4	Mr. Asit Kumar Basu	BME Nearly 44 years of experience	Finance, Internal financial controls
5	Mr. C.K. Lakshminarayanan	B. Tech Nearly 47 years of experience	Power Sector, Finance, Capital markets
6	Mr. Jitender Balakrishnan	B.E. (Mech.), PGDM in Industrial Management Nearly 44 years of experience	Power, Steel, Oil & Gas, Corporate Governance, Risk Assessment
7	Mr. Rakesh Mehra	FCWA Nearly 38 years of experience	Finance, Costing & Management Accounting
8	Ms. Tripti Sinha	B.E. (Electricals) Nearly 42 years of experience	Power

Corporate Governance Report

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 – [familiarization programmes](#) – 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 2021-22.

K. K. Sarda

Chairman & Managing Director"

2.7 Particulars of Directors seeking appointment/re-appointment

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 29th September 2022 are given as under:

1	Name	Mr. Pankaj Sarda
2	i) Age	43 years
	ii) Qualification	B.E. (Industrial Engineering) from Nagpur University, Nagpur and Masters from Purdue University, USA.
	iii) Date of appointment	31.10.2007
3	Experience	More than 19 years Industrial Experience.
4	Terms & Conditions of re-appointment	Mr. Pankaj Sarda is Wholetime Director (Jt. Managing Director), liable to retire by rotation. Other terms and conditions as set out in the explanatory statement to the Notice Convening 49th Annual General Meeting.
5	Remuneration last drawn (including sitting fees, if, any) (per annum)	₹ 587.06 lakh (F.Y. 2021-22)
6	Remuneration / Sitting Fees proposed to be paid per month	As set out in the explanatory statement to the Notice Convening 49th Annual General Meeting.
7	Other Directorships	ABS Engineers Private Limited Madhya Bharat Power Corporation Limited Sarda Agriculture & Properties Private Limited Madanpur South Coal Company Limited Sarda Energy Limited Rishabh Mining & Transport Company Private Limited

Corporate Governance Report

		Sarda Dairy & Food Products Private Limited
		Raipur Mega Food Park Private Limited
		Prachi Agriculture & Properties Private Limited
		Comienzo Agri Science Limited
		Natural Resources Energy Private Limited
8.	Chairman/Member of Committees	Sarda Energy & Minerals Limited - Membership Audit Committee Stakeholders' Relationship Committee Risk Management Committee Sarda Dairy & Food Products Limited - Membership Audit Committee Nomination & Remuneration Committee Madhya Bharat Power Corporation Limited - Membership Audit Committee Nomination & Remuneration Committee
9	Shareholding in the Company	6,71,441 Equity shares
10	No. of Board Meetings attended/ held during Financial Year 2021-22	6/6
11	Relationship with Directors	Mr. Kamal Kishore Sarda, Chairman & Managing Director of the Company is relative of Mr. Pankaj Sarda, as per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014.

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. A.K. Basu (Chairman)	Mr. J. Balakrishnan (Chairman w.e.f. 1st April 2021)
Mr. C.K. Lakshminarayanan	Mr. A.K. Basu
Mr. Rakesh Mehra	Mr. C.K. Lakshminarayanan
Mr. Pankaj Sarda	Mr. K.K. Sarda
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. J. Balakrishnan (Chairman)	Mr. Rakesh Mehra (Chairman w.e.f. 1st April 2021)
Mr. A.K. Basu (upto 30th June 2021)	Mr. K.K. Sarda
Mr. Pankaj Sarda	Mr. Pankaj Sarda (upto 30th June 2021)
Mr. Padam Kumar Jain (w.e.f. 1st July 2021)	Ms. Tripti Sinha (w.e.f. 1st July 2021)
Risk Management Committee	
Ms. Tripti Sinha (Chairperson w.e.f. 1st April 2021)	
Mr. Pankaj Sarda	
Mr. P.K. Jain, WTD & CFO	
Mr. Sanjeev Agrawal (upto 30th June 2021)	
Mr. Anup Kumar Nanda (w.e.f. 1st July 2021)	

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	1	1	2	2
Attendance:					
Mr. K.K. Sarda	NA	1	NA	2	NA

Corporate Governance Report

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Pankaj Sarda	3	NA	0	1	2
Mr. P.K. Jain	NA	NA	1	NA	2
Mr. A.K. Basu	4	1	NA	NA	NA
Mr. C.K. Lakshminarayanan	4	1	NA	NA	NA
Mr. J. Balakrishnan	NA	1	1	NA	NA
Mr. Rakesh Mehra	4	NA	NA	2	NA
Ms. Tripti Sinha	NA	NA	NA	1	2

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 A](#) 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 B](#) to the Directors' 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 2021-22.

Corporate Governance Report

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	177.50	21.41	7.50	650.00	856.41	NIL
Mr. Pankaj Sarda	75.86	3.70	7.50	500.00	587.06	NIL
Mr. Padam Kumar Jain ^	59.30	0.91	7.50	75.00	142.71	NIL

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

No stock options were granted during the year.

^Also holds the office of CFO.

Contract period: Mr. K.K. 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 from 1st June 2021. To retire by rotation.

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

Details of remuneration to Non-Executive Directors are as under: (₹ in lakh)

Name of the Director	Sitting fees	Commission	Total
Mr. Asit Kumar Basu	1.70	12.00	13.70
Mr. Chittur Krishnan Lakshminarayanan	1.70	10.00	11.70
Mr. Jitender Balakrishnan	1.40	10.00	11.40
Mr. Rakesh Mehra	1.80	10.00	11.80
Ms. Tripti Sinha	1.50	7.00	8.50

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.

The number of complaints received during the year : During the year under review, 10 complaints were received which were resolved. 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 2022.

Corporate Governance Report

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 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
23rd September, 2021	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 issue - NCDs upto an aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore were passed.
24th September, 2020	11.00 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. K.K 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 ₹ 1,000 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 ₹ 1,000 crore were passed.

Special Resolution(s) passed through Postal Ballot

During 2021-22, 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 the 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:	29 th September, 2022
	Time:	11.30 a.m.
	Venue:	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020 as amended from time to time. The Registered Office shall be deemed to be the venue of AGM.
Financial calendar for 2022-23 (tentative)	:	
Financial results for the quarters ended:		
30 th June, 2022	:	4 th week of July 2022
30 th September, 2022	:	1 st week of November 2022
31 st December, 2022	:	1 st week of February 2023
31 st March, 2023	:	4 th week of May 2023 (audited)
Annual General Meeting (for F.Y. 2022-23)	:	September, 2023

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 The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2022-23.

Registrar and share transfer agents : Bigshare Services Private Limited
(for physical and electronic)

Office No S6-2, 6th Floor
Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road
Andheri (East), Mumbai – 400093 (M.H.)

Share transfer system :

In view of the SEBI circular, share transfers in physical have been stopped from 1st April 2019. Further, w.e.f. January 2022, pursuant to SEBI Circular, the Company has also stopped processing of duplicate, transmission, cases in physical. The requests received are now converted into demat mode at the time of processing.

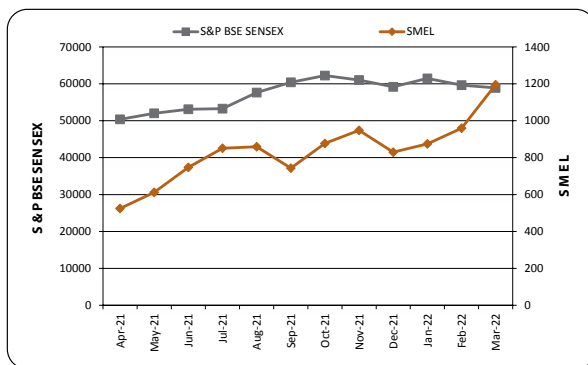
In view of the above, the members, in their own interest, are requested to get their shareholding dematerialized at an early date.

Corporate Governance Report

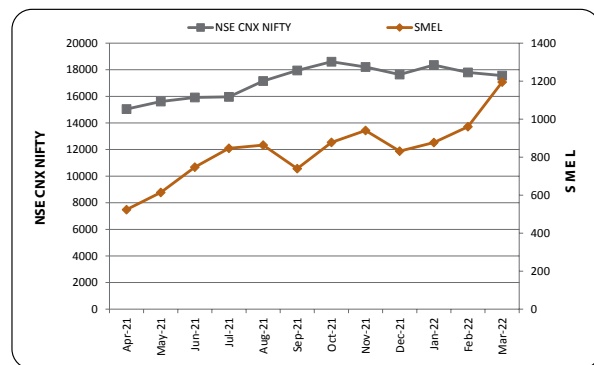
Market price data: High/low during the year 2021-22

Month	SEML price on the BSE (in ₹)		SEML price on the NSE (in ₹)	
	High	Low	High	Low
Apr, 2021	524.45	392.00	524.00	375.90
May, 2021	612.00	501.00	613.90	504.75
Jun, 2021	747.25	491.10	747.60	496.15
Jul, 2021	850.90	615.70	846.50	618.00
Aug, 2021	859.00	634.00	863.00	636.75
Sep, 2021	743.50	636.00	739.40	625.00
Oct, 2021	876.90	681.00	877.50	680.00
Nov, 2021	948.00	738.85	940.00	742.00
Dec, 2021	830.00	712.65	831.70	711.95
Jan, 2022	875.00	758.00	877.00	756.80
Feb, 2022	959.45	730.00	960.00	727.05
Mar, 2022	1,195.60	847.70	1,195.00	845.05

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, 2022

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	7,95,299	2.21
3.	Foreign Portfolio Investors	6,20,179	1.72
4.	Bodies Corporate	18,38,445	5.09
5.	Individuals NRIs	1,83,782	0.51
6.	Resident Individuals	59,72,811	16.57
7.	IEPF Authority	1,84,865	0.51
8.	Others	3,19,494	0.89
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, 2022

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	24,020	92.52	21,46,860	5.23
5,001 – 10,000	949	3.65	7,17,037	1.74
10,001 – 20,000	460	1.77	6,77,058	1.83
20,001 – 30,000	168	0.65	4,12,223	1.04
30,001 – 40,000	80	0.31	2,88,666	0.72
40,001 – 50,000	62	0.24	2,84,106	0.65
50,001 – 1,00,000	100	0.38	7,37,580	1.85
1,00,001 and above	124	0.48	3,07,85,705	86.94
Total	25,963	100.00	3,60,49,235	100.00

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 2022, out of the total 3,60,49,235 equity shares held by about 25,963 (PY 19,391) shareholders, 3,57,92,206 (PY 3,57,77,468) equity shares held by 23,742 (PY 17,027) shareholders representing 99.29% (PY 99.25%) 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 the 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 – 22.09.2021
Total facilities rated	₹ 1,105 crore
Long Term	CRISIL A+/Positive
Short Term	CRISIL A1 (Reaffirmed)

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. 35 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

Corporate Governance Report

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.

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 vide its email dt. 25th June 2021 has waived the fine for June 2020 and September 2020. However, BSE has levied fine of ₹ 1.121 lakh (including GST) for December 2020 quarter which has been paid by the Company. NSE had waived the fine.

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.

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.

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 / Transfer of dividend on shares transferred 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. 2013-14 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till date, the Company has transferred 1,84,865 shares to IEPF.

Corporate Governance Report

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 (relating to dividend and shares transferred to IEPF) 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 the authorities/bank for resolution of the matter. Pending resolution of the matter, the Company shall not be able to accept the claims of dividend/shares from IEPF relating to F.Y. 2011-12 and shares transferred in 2019.

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.

During the current 2022-23, the Company was required to resubmit the form IEPF 7 for 2019-20 - relating to dividend transferred to IEPF on account of shares transferred to IEPF. On resubmission, the Company was not allowed to resubmit the investors details and consequently, the said transaction was cancelled by the MCA system. The funds have been not returned back to the Company. The Company has taken up the matter with the authorities. In view of the above, pending resolution of the matter, the Company shall not be able to accept any refund request from IEPF which involved dividend for F.Y. 2019-20 on share transferred to IEPF.

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](#)
2. [Related Party Transaction Policy](#)
3. [Dividend Distribution Policy](#)
4. [Other Policies](#)

If for any reason, the links do not support, the members are requested to refer the policies section under the heading Investors on the website of the Company.

Corporate Governance Report

- 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 ₹ 40.50 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.
- 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

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS Kamlesh Ojha)

Partner

FCS No. 10807

CP. No. 14660

UDIN: F010807D000730361

Place: Raipur

Date : 30th July, 2022

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

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 2022, 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 2022.

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.

Raipur
Date : 30th July, 2022

For, **O. P. Singhania & Co.**
Chartered Accountants
(ICAI Firm Reg. No. 002172C)
Sd/-
(Sanjay Singhania)
Partner
M.No.076961
UDIN: 22076961ADJUFG4633

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	:	2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Iron Ore Pellet/Sponge Iron / Billet / Wire Rod / Ferro Alloys Coal
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	:	3
Number of International Locations (Provide details of major 5)	:	NIL
Number of National Locations	:	3
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)	:	2,641.95 crore
3. Total profit after taxes (INR)	:	658.82 crore
4. Total Spending on Corporate Social Responsibility (CSR) as%age of profit after tax (%)	:	0.89%
5. List of major activities in which expenditure in 4 above has been incurred	:	a) Healthcare b) Education c) Art & Culture d) Rural development e) Livelihood Projects

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%age 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. Sanjeev Agarwal President Telephone: +91-771-2216100 Email ID: sagrawal@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 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 for 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 2021-22, the Company has received 10 complaints from the shareholders of the Company. General requests for release of unpaid dividend and procedural queries were also 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 2021-22 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 14 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 or sold to others to recover Fe content thereof.

Business Responsibility Report

- b) DRI/Sponge Iron - The Company uses waste heat for production of electricity. The fly 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 Fe 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 production capacity to utilize the waste. In the year 2021-22 the Company produced 1.63 lakh MTs (P.Y. 1.88 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?

During the year under review, as compared to previous year, the Company achieved a reduction of 722 Ltr. of water/MW generation of power.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what%age 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 Company also procures coal from its mine at Raigarh. 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 2021-22 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?

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, four vehicles 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%age 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. The Company continues to undertake activities which add value of waste generated during its operations.

Business Responsibility Report

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 workforce 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	:	1,416
2	Total number of employees hired on temporary/ contractual/casual basis	:	2,672
3	Number of permanent women employees	:	08
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. 2021-22.
8	Percentage of under mentioned employees who were given safety & skill up- gradation training in the last year	a)	Permanent Employees 871
		b)	Permanent Women Employees 1
		c)	Casual/Temporary/Contractual Employees 1,878
		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:

- Government and regulatory authorities
- Investors and Shareholders
- Employees
- Customers
- Local Communities
- Suppliers/contractors
- Lenders
- Displaced families

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

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 agencies / NGOs providing services to marginalized stakeholders such as **Parivaar** - a charitable organization engaged in activities related to children, by providing medical assistance, education, livelihood training and hand-holding particularly

Business Responsibility Report

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/**Maharshi Vedvyas Pratisthan** – for supporting growth and development of Sanskrit language and study of vedas.

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% 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 31.03.2022
Shareholders	10	10	NIL
Customers	14	14	NIL

The Company has not received any other complaint during financial year 2021-22.

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 -

- i. 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.
- ii. 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 hydropower projects promoted by the Company are eligible for Carbon Credits. 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 WF drives and use of LED lighting system in place of conventional lighting system. 4 producer gas plants have been installed and made operational which replace the existing fuel (-200 mesh polarized coal) by clean fuel (Producer gas) and existing ESP has been modified to reduce the dust emission and control pollution for pellet plant operation. In power plant, additional, 2 ESP field have been added in FBC-3 boiler to further reduce the emission and the same have been made operational during the year under review.

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 eligible for Carbon Credits.

Business Responsibility Report

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.seml.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. Further, Company has installed 24*7 Continuous Emission Monitoring System at major process stacks to monitor Stack Emission and data is being transferred to CECB and CPCB Server. Company has also installed one Continuous online Ambient Air Quality Monitoring Station in the Siltara plant premises and data is regular transferred to CECB & CPCB Server.

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. 2021-22.

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.

The Company has voluntarily adopted a Corporate Social Responsibility (CSR) policy which governs the CSR activities of the Company. During the year 2021-22, the Company has spent ₹ 586.88 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

Business Responsibility Report

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 FY2021-22 was ₹ 586.88 lakh. The major thrust areas for our programmes are – a) Healthcare b) Education c) Art & Culture d) Rural Development projects e) Livelihood 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 % of customer complaints/consumer cases are pending as on the end of financial year?

No complaints pending at the end of FY 2021-22

- 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 while supplying Ferro Alloys to large OEM customers we supply in 1mt jumbo bags which have the Company name embossed on it and also 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.

- 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.

Standalone Financial Statements

Independent

Auditor's Report

TO THE MEMBERS OF

SARDA ENERGY & MINERALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SARDA ENERGY & MINERALS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and 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, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA's") 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 made 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 obtained by us 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. We have determined that there are no key audit matters to communicate in our report.

Information Other than the 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's 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 during the course of our 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 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 and maintenance

Independent

Auditor's Report

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 statements 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 is 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 scepticism 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 control 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 adequate internal financial controls system in place 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 the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.

Independent

Auditor's Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 Auditor's 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.
 - 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 financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are

Independent

Auditor's Report

material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 54 to the standalone financial statements
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) During the year no interim dividend has been declared and paid by the Company, therefore reporting under this clause is not applicable.
 - (c) The Board of Directors of the Company have not proposed any final dividend for the year.

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

Sanjay Singhania
Partner

Membership No.076961
UDIN: 22076961AJJEMB2886

Raipur, 21st May, 2022

Annexure 'A'

to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sarda Energy & Minerals Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets..
- (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect immovable properties of merged companies which has still carried on the name of erstwhile companies and are yet to be updated in revenue records (refer note 2 of the financial statement), and all other immovable properties as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- ii. (a) As explained to us, the physical verification of inventories has 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 more than 10% or more in the aggregate of each class of inventory and have been properly dealt with in the books of account.
- (b) Based on the audit procedure and on an overall examination of financial statements, we are of the opinion that the stock statements and quarterly returns filed by the Company, in respect of working capital loan availed from banks, are in agreement with the books of account of the Company and no material discrepancies have been observed.

iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:

- (a) The Company has provided unsecured loans or advances in the nature of loans and provided security to any other entity during the year,
 - A) The aggregate amount of loan given during the year ₹ 558.97 Crore and the balance outstanding with respect to such loans and security provided at the balance sheet date in case of subsidiaries, associates and Joint ventures is ₹ 308.52 Crore.
 - B) The aggregate amount of loan given during the year ₹ 405.60 Crore and the balance outstanding with respect to such loans and security provided at the balance sheet date other than subsidiaries, associates and Joint ventures is ₹ 311.43 Crore.
- (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

Annexure 'A'

to the Independent Auditor's Report

- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has granted loans or advances in the nature of loans repayable on demand to related parties during the year as defined in Clause (76) of Section 2 of the Companies Act, 2013.

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans or advances in the nature of loan repayable on demand	568.31 Crore	0	530.00 Crore
Percentage of loans or advances in the nature of loan to the total loan	100%	0	93.26%

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- 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 Companies Act, 2013, 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. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at 31st March, 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2022 on account of disputes are given below:

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	March 1986 to October 1988	At M.P. High Court
Central Excise Act, 1944	Excise Duty	0.08	March 1989 to August 1989	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty Penalty	7.48 8.09	2015-16	Customs Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty Penalty	0.02 0.03	2016-17	Customs Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.05	2015-16 to 2016-17	Customs Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty Penalty	0.39 0.29	2012-13 to June 2017	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)

Annexure 'A'

to the Independent Auditor's Report

Name of the Statute	Nature of the Dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5.42	A.Y. 2018-19	Bombay High Court (Nagpur Bench)
Income Tax Act, 1961	Income Tax	7.76	A.Y. 2018-19	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	0.45	A.Y. 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	16.45	A.Y. 2016-17	Commissioner of Income Tax (Appeal)
Chhatisgarh Upkar Adhinyam, 1981	Energy Development Cess	74.86	May 2006 to March 2022	Supreme Court

*Net of deposits

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender and hence reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure 'A'

to the Independent Auditor's Report

- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) in accordance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

Sanjay Singhania
Partner

Membership No.076961
UDIN: 22076961AJJEMB2886

Raipur, 21st May, 2022

Annexure 'B'

to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sarda Energy & Minerals Limited of even date)

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, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 (the "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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the 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 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 Auditor's 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, 2022, based on the criteria for internal financial control over financial reporting 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 **OP Singhania & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhania
Partner

Membership No.076961
UDIN: 22076961AJJEMB2886

Raipur, 21st May, 2022

Standalone Balance Sheet

as at 31st March, 2022

(₹ in Crore)

	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment		511.49	480.78
(b) Capital work-in-progress	2	67.90	65.68
(c) Investment Property		38.39	44.53
(d) Other Intangible Assets		39.29	2.78
(e) Financial Assets			
(i) Investments	3	887.16	820.35
(ii) Loans	4 (a)	184.51	97.35
(iii) Other Financial Assets	4 (b)	1.00	1.52
(f) Other Non-current Assets	5	65.98	32.16
		1,795.72	1,545.15
(2) Current Assets			
(a) Inventories	6	429.14	439.36
(b) Financial Assets			
(i) Investments	7	274.04	92.23
(ii) Trade receivables	8	92.84	78.09
(iii) Bank, Cash & cash equivalents	9	14.56	2.69
(iv) Bank balances other than (iii) above	10	8.85	0.72
(v) Loans	11	384.79	296.15
(c) Other Current Assets	12	175.08	135.56
		1,379.30	1,044.80
		3,175.02	2,589.95
TOTAL ASSETS			
EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share capital	13 (a)	36.05	36.05
(b) Other Equity	13 (b)	2,606.69	1,974.89
Total Equity		2,642.74	2,010.94
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	142.84	218.12
(ii) Other financial liabilities	15	3.17	2.93
(b) Deferred tax liabilities (Net)	16	47.60	47.47
(c) Provisions	17	30.41	2.42
		224.02	270.94
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	27.69	51.84
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises	19	5.20	2.13
(b) Total outstanding dues of creditors other than micro and small enterprises		136.83	162.37
(iii) Other financial liabilities	20	90.53	64.02
(b) Other current liabilities	21	38.60	22.95
(c) Provisions	22	1.57	0.75
(d) Current tax liabilities (net)		7.84	4.01
		308.26	308.07
		3,175.02	2,589.95
TOTAL EQUITY AND LIABILITIES			

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crore)

	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Revenue from operations	23	2,641.95	1,594.96
II. Other income	24	74.86	107.15
III. Total Revenue (I + II)		2,716.81	1,702.11
IV. Expenses			
Cost of materials consumed	25	1,461.35	953.65
Purchases of Stock-in-Trade		54.10	32.28
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(48.87)	(12.23)
Employee benefits expense	27	81.95	67.70
Finance costs	29	22.42	34.49
Depreciation and amortization expense	2	53.57	48.16
Other expenses	30	215.72	181.65
Total Expenses		1,840.24	1,305.70
V. Profit before Exceptional Items and Tax (III - IV)		876.57	396.41
VI. Exceptional items (Income) / Expense		-	14.52
VII. Profit Before Tax (V - VI)		876.57	381.89
VIII. Tax expense			
(1) Current tax		216.75	80.50
(2) Deferred tax		0.05	4.85
IX. Profit for the period (VII - VIII)		659.77	296.54
Other comprehensive income for the year, net of tax	33		
Items that will not be reclassified to profit or loss		(0.87)	1.05
Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.08)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		658.82	297.51
X. Earnings per equity share	32		
Basic		183.02	82.26
Diluted		183.02	82.26

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

(₹ in Crore)

a. Equity Share Capital

For the year ended 31st March, 2021

Balance at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Resated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the year	Balance at March 31, 2021
36.05	-	36.05	-	36.05

For the year ended 31st March, 2022

Balance at April, 1 2021	Changes in Equity Share Capital due to prior period errors	Resated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the year	Balance at March 31, 2022
36.05	-	36.05	-	36.05

b. Other Equity

	Reserves and Surplus				OCI	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as of 1st April, 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 31st March, 2021	4.05	194.01	171.83	1,604.60	0.40	1,974.89

	Reserves and Surplus				OCI	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance as of 1st April, 2021	4.05	194.01	171.83	1,604.60	0.40	1,974.89
Other Comprehensive Income				(0.94)	-	(0.94)
Profit for the year				659.78		659.78
Dividends				(27.04)		(27.04)
Balance as of 31st March, 2022	4.05	194.01	171.83	2,236.40	0.40	2,606.69

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 21, 2022

K. K. Sarda

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Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Standalone Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit & Loss	876.57	381.89
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	53.57	48.16
Finance Costs	22.42	34.49
Exchange differences on translation of assets and liabilities	(0.15)	(11.63)
Loss pertaining to scraping of assets	1.18	0.76
Allowance/(Reversal) for credit losses on financial assets	(0.07)	-
Interest Income	(39.97)	(36.84)
Corporate Guarantee Commission	(0.39)	(0.39)
Net (Gain)/Loss on investments pertaining to Fair valuation	(6.99)	(50.33)
Dividend income	(0.53)	(0.30)
(Profit) / Loss on sale of investments	(0.99)	(0.46)
(Profit) / Loss on sale of PPE	(0.28)	(0.48)
Share of (Profit)/loss in Partnership Firm	(24.07)	(18.08)
Impairment loss on discarding of CWIP	-	14.52
Operating Profit before working capital changes	880.30	361.31
Changes in assets and liabilities		
Trade Receivables	(14.48)	(15.88)
Inventories	4.19	(69.69)
Trade Payables	(22.52)	38.67
Loans and advances and other assets	(119.59)	(53.66)
Liabilities and provisions	70.31	14.62
	798.21	275.37
Income Tax Paid	(212.97)	(76.60)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	585.24	198.77
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in PPE including capital advances	(146.34)	(78.94)
Sale proceeds of PPE	1.89	1.31
Investment made in Subsidiaries	(42.30)	4.97
Other Investments (made)/liquidated	(173.88)	0.35
Loan repaid by/(given) to Subsidiaries	(134.97)	21.14
Loan repaid by/(given) to Others	79.31	23.02
Interest received	6.07	1.90
Dividend received	0.53	0.30
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(409.69)	(25.95)

Standalone Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crore)

	Year ended 31.03.2022	Year ended 31.03.2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(75.29)	(39.76)
Short term borrowings (net)	(24.14)	(79.83)
Finance cost	(29.12)	(35.76)
Dividend & dividend tax paid	(27.04)	(18.02)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	(155.59)	(173.37)
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	19.96	(0.55)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	19.96	(0.55)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	2.69	3.24
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	22.65	2.69
Supplementary Information:		
Restricted Cash Balance	0.77	0.72
Increase/(decrease) in Cash and Cash equivalents	19.96	(0.55)

Notes

(a) Cash and cash equivalent include the following :		
Cash on Hand	0.18	0.24
Balances with Scheduled banks	22.47	2.45
	22.65	2.69

(b) Reconciliation between opening and closing balance in the balance sheet for liabilities arising from financial activities due to cash flows and non cash flow changes

Particulars	As at 01.04.2021	Cash Flow		Non cash changes		As at 31.03.2022
		Proceeds	Repayments	Fair value changes	Classification changes	
Long Term Borrowings	259.29	-	(75.29)	-	(41.17)	142.83
Short Term Borrowings	10.67	-	(24.14)	-	41.17	27.70

(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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Notes

to standalone financial statements for the year ended 31st March, 2022

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO STANDALONE FINANCIAL STATEMENTS

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 crore.

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.

Revenue from sale of land and plots is recognized in the year in which the underlying sale deed is executed and there exists no uncertainty in the ultimate collection of consideration from buyers.

1.5.2 Other income

Interest income

For all debt instruments measured either at amortised 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 amortised cost of a financial liability.

Notes

to standalone financial statements for the year ended 31st March, 2022

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.

Operation and maintenance income

Income arising from billing of maintenance charges is recognized in the period in which the service are being rendered.

Incentives

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

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) Mining Assets

1. Acquisition Cost

The cost of Mining Assets capitalized includes costs of licenses and rights to explore, stamp duty, registration fees and other such associated costs.

Bid premium and royalties payable with respect to mining operations is contractual obligations. The said obligations are variable and linked to market prices. The Company has accounted for the same as expenditure on accrual basis as and when related liability arises as per respective agreements/statue.

Notes

to standalone financial statements for the year ended 31st March, 2022

2. Exploration and evaluation

Exploration and evaluation expenditure incurred after obtaining the mining or the legal right to explore are capitalized as exploration and evaluation assets. (Intangible assets) and stated at cost less impairment. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed recoverable amount.

The company measures its exploration and evaluation assets at cost and classifies as Property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalized as a part of the cost of the intangible asset.

3. Site restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the cost of restoration are capitalized. The provision for decommissioning assets is based on the current estimated cost for removing and decommissioning production facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate. A corresponding provision is created on the liability side. The capitalized asset is charged to profit and loss over the life of the asset through amortization over the life of the operation and the provision. Management estimates are based on local legislation and/or other agreements are reviewed periodically.

v) 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.

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 fulfillment 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.

Notes

to standalone financial statements for the year ended 31st March, 2022

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.
- iv) 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.
- v) Cost of land and plots under development includes cost of land under development internal and external development cost and related overhead costs and valued at lower at cost or net realizable value.

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

Notes

to standalone financial statements for the year ended 31st March, 2022

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, 2022

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 amortised 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 recognised 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:

Notes

to standalone financial statements for the year ended 31st March, 2022

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

Notes

to standalone financial statements for the year ended 31st March, 2022

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 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.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

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

Notes

to standalone financial statements for the year ended 31st March, 2022

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.

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

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 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

Notes

to standalone financial statements for the year ended 31st March, 2022

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.

1.5.26 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, 2022

(₹ in Crore)

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

Particulars	Gross Block				Depreciation				Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021	
Freehold Land	8.96	-	-	8.96	-	-	-	-	8.96	8.96	
Leasehold Land	8.52	18.15	-	26.67	0.56	0.24	-	0.80	25.87	7.96	
Building	146.95	13.78	-	160.73	46.00	7.90	-	53.90	106.83	100.95	
Plant & Machinery	585.35	49.02	3.25	631.12	226.58	42.52	2.05	267.05	364.07	358.77	
Furniture, Fixture & Equipment	6.81	2.27	0.06	9.02	4.96	1.20	0.04	6.12	2.90	1.85	
Vehicles	7.11	1.78	1.56	7.33	4.82	0.78	1.13	4.47	2.86	2.29	
	763.70	85.00	4.87	843.83	282.92	52.64	3.22	332.34	511.49	480.78	

(ii) Ageing of capital work-in-progress is as below:

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	56.94	10.66	-	-	67.60
Project temporarily suspended	-	-	-	0.30	0.30
	56.94	10.66	-	0.30	67.90

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	63.51	0.56	-	-	64.07
Project temporarily suspended	-	-	-	1.61	1.61
	63.51	0.56	-	1.61	65.68

Note

As at the balance sheet date, assets / projects forming part of capital work in progress are neither exceeded its estimated cost nor its estimated completion time line.

Investment Property

	Gross Block				Depreciation				Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021	
Freehold Land-IP	32.06	-	6.04	26.02	-	-	-	-	26.02	32.06	
Admin Bidg- IP	13.76	0.17	-	13.93	1.29	0.27	-	1.56	12.37	12.47	
Total	45.82	0.17	6.04	39.95	1.29	0.27	-	1.56	38.39	44.53	

Amount recognized in profit & loss for investment properties

	As at 31st March, 2022	As at 31st March, 2021
Rental Income (Included in non-operating income)	0.20	0.09
Other expenses related to investment Properties	0.04	0.04
Profit from Investment Properties before depreciation	0.16	0.05
Depreciation	0.26	0.25
Profit/(Loss) from Investment Properties	(0.10)	(0.20)

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

Other Intangible Assets

	Gross Block				Depreciation			Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2021	As on 31.03.2021
Software	2.23	0.15	-	2.38	1.42	0.17	-	1.59	0.79	0.81
Minig Rights & Development	3.08	37.02	-	40.10	1.12	0.48	-	1.60	38.50	1.97
	5.31	37.17	-	42.48	2.54	0.65	-	3.19	39.29	2.78

Note: The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company except stated below in respect of amalgamated company where immovable properties are held in their name. Further the company has not carried out revaluation of items of property plant and equipment during the year and accordingly the disclosure as to whether the revaluation is based on the valuation by a registered valuer is not applicable.

Details of investment property of the amalgamated company viz erstwhile Chhattisgarh Electricity Company Limited which are held in their name.

Description of property	Gross carrying value (Crore)	Title deed held in the name of	Whether promoter/director or their related parties or employee	Period held (i.e. dates of capitalization providing in range)	Reason for not being held in the name of Company
Building	0.30	Chhattisgarh Electricity Company Limited	No	Aug-07	For certain properties acquired through amalgamation/merger, the name change in the name of company is pending
Building	0.06	Chhattisgarh Electricity Company Limited	No	Aug-07	

Details of property plant and equipment pledged against borrowings is presented in note no 14 and 18.

	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 & Machinery	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

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

INVESTMENT PROPERTY

	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-IP	32.06	-	-	32.06	-	-	-	-	32.06	32.06
Admin Bidg- 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

OTHER INTANGIBLE ASSETS

Particulars	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

	As at 31st March, 2022	As at 31st March, 2021
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. 40,85,100) Equity Shares of Sarda Global Venture Pte Limited of US\$ 1.00 each	28.30	28.30
(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	213.05	212.61
(e) 18,60,65,080 (P.Y. 16,19,61,080) Equity Shares of Madhya Bharat Power Corporation Limited of ₹ 10/- each	460.09	399.83
(f) 7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Private Limited of ₹ 10/- each	7.84	7.84
(g) 10,000 (P.Y. 7,155) Equity Shares of Natural Resources Energy Private Limited of ₹ 10/- each	0.06	0.01
(h) 1,000 (P.Y. 1,000) 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 Private Limited of Rs. 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	3.54	3.53
(b) Chattisgarh Hydro Power LLP	91.30	85.30
(c) Sarda Hydro Power LLP	0.30	0.30

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
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. 1,49,980 units) of KBC Mutual Fund	0.25	0.20
	887.16	820.35

	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investment and market value thereof		
Aggregate book value of quoted investments	0.25	0.20
Aggregate market value of quoted investments	0.25	0.20
Aggregate value of unquoted investments	886.91	820.15
Investment carried at cost	885.46	818.70
Investment carried at fair value through OCI	1.45	1.45
Investment carried at fair value through Profit & Loss	0.25	0.20

- (i) The Company, in its capacity as promoter, has pledged 16,47,52,864 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.

	As at 31st March, 2022	As at 31st March, 2021
NOTE 4 (a) : NON-CURRENT ASSETS - FINANCIAL ASSET - LOANS		
(a) Loans and advances to related parties		
Unsecured, considered good	184.51	97.35
	184.51	97.35

Details of Loans and Advances in the nature of loans granted to the related parties (as defined under Companies Act 2013) either severally or jointly with any other person that are repayable as per specified terms.

As at 31st March, 2022

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related parties	184.51	100.00%

As at 31st March, 2021

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related parties	97.35	100.00%

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 4 (b) : NON-CURRENT ASSETS - FINANCIAL ASSET - OTHER FINANCIAL ASSETS		
(a) Security Deposits		
Unsecured, considered good	1.00	1.52
	1.00	1.52

	As at 31st March, 2022	As at 31st March, 2021
NOTE 5 : OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	50.64	11.24
(b) Advances other than capital advances		
Unsecured, considered good		
(i) Security Deposits		
Unsecured, considered good	0.67	0.69
(ii) Other advances		
Unsecured, considered good	8.62	14.41
Prepaid expenses	0.47	0.34
Balances with Revenue Authorities	5.57	5.48
	65.98	32.16

	As at 31st March, 2022	As at 31st March, 2021
NOTE 6 : INVENTORIES		
(valued at lower of cost and net realisable value)		
(a) Raw Material	183.87	255.76
(b) Finished / semi finished goods	194.55	146.01
(c) Stock-in-Trade	0.50	0.16
(d) Stores and spares	37.42	37.43
(e) Cost of land and plots under development	12.72	-
(f) Material in Transit	0.08	-
	429.14	439.36

	As at 31st March, 2022	As at 31st March, 2021
NOTE 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
Investments in Equity Instruments-Carried at FVTPL		
In Other Companies		
19,80,000 (P.Y. 15,00,000) Equity Shares of Canfin Homes Limited of ₹ 2 each	125.03	92.06
3,688 (P.Y. 3,688) Equity Shares of Indian Metals & Ferro Alloys Limited of ₹ 10 each	0.31	0.17
2,21,393 (P.Y.NIL) Equity Shares of Godawari Power & Ispat Ltd of ₹ 5 each	8.56	-
Investments in Mutual Funds	140.14	-
	274.04	92.23

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investments and market value thereof;	274.04	92.23

	As at 31st March, 2022	As at 31st March, 2021
NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	92.83	78.09
Trade receivables which have significant increase in Credit Risk	2.85	3.03
Trade receivable - credit impaired	0.07	-
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(2.91)	(3.03)
	92.84	78.09

Outstanding for following period for due of payment as on 31st March, 2022

	Not Due	Less than 6 month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables- considered good	91.18	0.88	0.02	0.75	-	-	92.83
Undisputed trade receivables- which have significant increase in Credit Risk				0.10	0.11	2.64	2.85
Undisputed trade receivables- credit impaired						0.07	0.07
Disputed trade receivables- considered good							
Disputed trade receivables- which have significant increase in Credit Risk							-
Disputed trade receivables- credit impaired							-
	91.18	0.88	0.02	0.85	0.11	2.71	95.75

Outstanding for following period for due of payment as on 31st March, 2021

	Not Due	Less than 6 month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables- considered good	64.42	13.34	0.33	-	-	-	78.09
Undisputed trade receivables- which have significant increase in Credit Risk			0.03	0.06	0.36	2.58	3.03
Undisputed trade receivables- credit impaired							
Disputed trade receivables- considered good							
Disputed trade receivables- which have significant increase in Credit Risk							-
Disputed trade receivables- credit impaired							-
	64.42	13.34	0.36	0.06	0.36	2.58	81.12

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 9 : CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS		
Balances with banks		
In current accounts	12.22	0.39
FDR with Bank (Bank Deposits with original maturity up to 3 months)	2.16	2.06
Cash on hand	0.18	0.24
	14.56	2.69

	As at 31st March, 2022	As at 31st March, 2021
NOTE 10 : CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCES - OTHER THAN BANK, CASH & CASH EQUIVALENTS		
Unpaid dividend	0.77	0.72
FDR with Bank	8.08	-
	8.85	0.72

	As at 31st March, 2022	As at 31st March, 2021
NOTE 11 : CURRENT ASSETS - FINANCIAL ASSET - LOANS		
(a) Loans and advances to related parties	327.16	203.27
Unsecured, considered good		
(b) Other loans		
Unsecured, considered good		
(i) Earnest money deposit	3.70	4.40
(ii) Loans to employees	0.24	0.09
(iii) Loans and advances to other parties	53.53	87.84
(iv) Claims & recoverables	0.16	0.55
	384.79	296.15

Details of Loans and Advances in the nature of loans granted to the related parties (as defined under Companies Act 2013) either severally or jointly with any other person that are repayable on demand.

As at 31st March, 2022

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related parties	327.16	85.94%

As at 31st March, 2021

Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related parties	203.27	69.83%

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 12 : OTHER CURRENT ASSETS		
Advances other than capital advances		
(a) Other Advances		
(i) Employee Advance	0.02	0.04
(ii) Advances to vendors	169.75	129.35
(b) Other Advances		
(i) Advance royalty paid	1.05	0.01
(ii) Prepaid expenses	1.74	1.13
(iii) Balances with tax authorities	2.51	5.02
(iv) Others	0.01	0.01
	175.08	135.56

	As at 31st March, 2022		As at 31st March, 2021	
	No.	₹ in Crore	No.	₹ in Crore
NOTE 13 (a) : EQUITY SHARE CAPITAL				
Advances other than capital advances				
A Authorized				
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, 2022		As at 31st March, 2021	
	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
Additions during the period	-	-	-	-
Deductions during the period	-	-	-	-
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.

Notes

to standalone financial statements for the year ended 31st March, 2022

D. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	%	Number 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, 2022, 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 18,837 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

G. Details of promoters' shareholding percentage in the Company is as below:

Share held by promoter at the end of the year				% Change during the year
S No.	Promoter Name	No of Shares	% of total shares	
1	Kamal Kishore Sarda	5,64,518	1.57%	0.00%
2	Kamal Kishore Rathi	6,000	0.02%	0.00%
3	Aditi Sarda	9,132	0.03%	0.00%
4	Shashi Rathi	19,467	0.05%	0.00%
5	Jugal Kishore Sarda (HUF)	21,716	0.06%	0.00%
6	Aditya Ghanshyam Sarda	1,12,840	0.31%	0.00%
7	Raghav Sarda	1,12,840	0.31%	0.00%
8	CSP Investments (Chhatisgarh Investments Ltd, Sarda Agriculture & Properties Pvt. Ltd., Prachi Agriculture & Properties Pvt. Ltd.)	1,47,731	0.41%	0.00%
9	Vipula Sarda	4,22,665	1.17%	1.17%
10	Ghanshyam Sarda	6,39,224	1.77%	-2.09%
11	Pankaj Sarda	6,91,107	1.92%	0.00%
12	Veenadevi Sarda	7,02,350	1.95%	0.00%
13	Manish J Sarda	7,77,335	2.16%	-0.59%
14	Neeraj Sarda	7,77,335	2.16%	-0.58%
15	Anant Sarda	8,08,289	2.24%	0.00%
16	Uma Sarda - Trustee to K K Sarda Family Trust	10,00,000	2.77%	0.00%
17	Uma Sarda	12,42,579	3.45%	2.09%
18	Prachi Agriculture & Properties Private Limited	15,65,322	4.34%	0.00%
19	Sarda Agriculture & Properties Private Limited	26,35,150	7.31%	0.00%
20	Chhatisgarh Investments Ltd.	1,38,78,760	38.50%	0.00%
		2,61,34,360	72.50%	0.00%

Notes

to standalone financial statements for the year ended 31st March, 2022

NOTE 13 (b) :

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
	4.05	4.05
Securities Premium Account		
Balance as per last financial statements	194.01	194.01
Closing Balance	194.01	194.01
General Reserve		
Balance as per last financial statements	171.83	171.83
Closing Balance	171.83	171.83
Retained Earnings		
Balance as per last financial statements	1,604.60	1,325.13
Add : Profit for the year	659.78	296.53
Remeasurements of the net defined benefit plans	(0.94)	0.96
Equity Dividend	(27.04)	(18.02)
Closing Balance	2,236.40	1,604.60
Reserves representing unrealised gains/losses		
Equity instruments through Other Comprehensive Income	0.40	0.40
Closing Balance	0.40	0.40
	2,606.69	1,974.89

- (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 recognised 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, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
NOTE 14 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS				
Term loans (Secured)				
From banks				
Indian Rupee Loan	142.84	218.12	27.69	41.17
	142.84	218.12	27.69	41.17

Notes

to standalone financial statements for the year ended 31st March, 2022

1) Nature of security :

- 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.
- 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.

2) Repayment terms

- Rupee term loan of ₹ 147.97 crore (Present Outstanding ₹ 12.10 crore) from Banks is payable in 32 equal quarterly installments starting from June 2016.
- Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 77.60 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 June 2022.
- Rupee term loan of ₹ 48.13 crore (Present Outstanding ₹ 33.75 crore) from HDFC Bank is payable in 20 equal quarterly installments starting from March 2020.

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 15 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit Received		
Deposits from Vendors	3.17	2.93
	3.17	2.93

	As at 31st March, 2022	As at 31st March, 2021
NOTE 16 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	47.47	42.54
Deferred tax liability / (assets) during the year on account of timing difference	0.13	4.93
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	47.60	47.47

	As at 31st March, 2022	As at 31st March, 2021
NOTE 17 : PROVISIONS		
(a) Provision for employee benefits		
Provision for Leave encashment	2.88	2.42
(b) Others		
Mines restoration expenses	27.53	-
	30.41	2.42

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 18 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	-	10.67
	-	10.67
Current maturities of long term debt (Refer note no.14)	27.69	41.17
	27.69	51.84

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 pari-passu charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K.Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda.

Other Note

The Company has working capital facilities from banks on the basis of security of current assets and submitting quarterly financial follow up report as per the terms and conditions of sanction letters. There are no material discrepancies in the amount of current assets between financial follow up reports and books of accounts.

None of the banks, financial institutions or other lenders from whom the company has borrowed funds has declared the Company as a wilful defaulter at any time during the current year or in previous year.

	As at 31st March, 2022	As at 31st March, 2021
NOTE 19 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - TRADE PAYABLE		
Total outstanding dues of Micro Enterprises & Small Enterprises	5.20	2.13
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	136.83	162.37
	142.03	164.50

Trade Payable Ageing schedule for the year ended -

As at 31st March, 2022

Outstanding for following periods total from transaction date						
Particulars	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	5.20	-	-	-	-	5.20
Others	76.56	59.06	0.39	0.01	0.80	136.82
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Others	-	-	-	-	-	-
	81.76	59.06	0.39	0.01	0.80	142.02

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

As at 31st March, 2021

Outstanding for following periods total from transaction date						
Particulars	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	2.13					2.13
Others	93.18	67.56	0.19	0.11	1.33	162.37
Disputed due - MSME						
Disputed due - Others						
	95.31	67.56	0.19	0.11	1.33	164.50

	As at 31st March, 2022	As at 31st March, 2021
NOTE 20 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
(a) Interest accrued but not due on borrowings	0.09	0.12
(b) Deposits from customers	1.17	0.06
(c) Expenses payable	3.84	3.85
(d) Salary & reimbursements	22.28	13.55
(e) Bill discounting	48.05	41.34
(f) Provision for expenses	14.33	4.38
(g) Unpaid Dividends	0.77	0.72
	90.53	64.02

	As at 31st March, 2022	As at 31st March, 2021
NOTE 21 : OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	19.17	12.70
(b) Deposit from Employees	0.60	0.74
(c) Advances from customers	16.56	8.44
(d) TDS payables	2.27	1.07
	38.60	22.95

	As at 31st March, 2022	As at 31st March, 2021
NOTE 22 : PROVISIONS		
Provision for employee benefits		
(a) Provision for gratuity	1.33	0.48
(b) Provision for Leave encashment	0.24	0.27
	1.57	0.75

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 23 : REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	361.79	232.11
Ferro Alloys	661.86	332.24
Steel Billets	113.75	84.89
Wire Rod / HB Wire	768.65	534.83
Pellet	617.36	332.69
Power	2.10	1.72
Others	112.61	75.60
Other operating revenues	3.83	0.88
	2,641.95	1,594.96

	2021-22	2020-21
NOTE 24 : OTHER INCOME		
Interest Income	39.97	36.84
Dividend Income		
From Others	0.53	0.30
Net gain on sale of investments	0.98	0.43
Corporate guarantee commission	0.39	0.39
Fair value gain on Financial Instruments at FVTPL	6.99	50.33
Share of Profit in Partnership Firm	24.07	18.08
Other non-operating income (net of expenses directly attributable to such income)	1.93	0.78
	74.86	107.15

	2021-22	2020-21
NOTE 25 : COST OF RAW MATERIAL CONSUMED		
Iron Ore	592.82	350.83
Mn Ore	193.69	107.66
Coal	524.81	378.83
Scrap	139.34	91.92
Other Material	10.69	24.41
	1,461.35	953.65

	2021-22	2020-21
NOTE 26 : 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	194.53	146.02
Trading Goods	0.50	0.16
	195.03	146.18
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	146.02	133.93
Trading Goods	0.16	0.02
	146.18	133.95
(Increase)/Decrease in Inventories	(48.87)	(12.23)

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 27 : EMPLOYEE BENEFIT EXPENSE		
Salaries, incentives & Managerial Remuneration	74.94	61.71
Contributions to -		
Provident fund	3.96	3.53
Superannuation scheme	0.19	0.16
Gratuity fund	1.34	1.18
Staff welfare expenses	1.52	1.12
	81.95	67.70

	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
NOTE 28 : EMPLOYEE BENEFITS				
Actuarial study analysis				
Principal actuarial assumptions				
Discount rate	7.10%	6.90%	7.10%	6.90%
Range of compensation increase	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	7.10%	6.90%	N/A	N/A
Plan duration	60.00	58.00	60.00	58.00
Components of statement of income statement charge				
Current service cost	1.34	1.11	0.35	0.10
Interest cost	-	0.06	0.19	0.19
Recognition of past service cost	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	1.34	1.17	0.54	0.29
Movements in net liability/(asset)				
Net liability at the beginning of the year	0.49	1.25	2.69	2.75
Employer contributions	(1.41)	(1.20)	(0.04)	(0.06)
Total expense recognized in the consolidated statement of profit or loss	1.34	1.17	0.54	0.30
Total amount recognized in OCI	0.93	(0.73)	(0.06)	(0.31)
Net liability at the end of the year	1.35	0.49	3.13	2.68
Reconciliation of benefit obligations				
Obligation at start of the year	14.35	13.55	2.69	2.75
Current service cost	1.34	1.11	0.35	0.10
Interest cost	0.98	0.95	0.19	0.19
Benefits paid directly by the Company	(0.55)	(0.47)	(0.04)	(0.06)
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	1.06	(0.80)	(0.06)	(0.31)
Actuarial loss				
Defined benefits obligations at the end of the year	17.18	14.34	3.13	2.67

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	Gratuity		Leave Encashment	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	(0.22)	0.13	(0.06)	0.02
Actuarial gain/(loss) on account of experience adjustments	1.28	(0.92)	-	(0.33)
Actuarial (loss)/gain on plan assets	(0.13)	0.06		
Total actuarial gain/(loss) recognised in OCI	0.93	(0.73)	(0.06)	(0.31)
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	13.86	12.31	-	-
Interest on plan assets	0.99	0.89	-	-
Contributions made	1.41	1.20	0.04	0.06
Benefits paid	(0.55)	(0.47)	(0.04)	(0.06)
Actuarial (loss)/gain on plan assets	0.13	(0.06)	-	-
Fair value of plan assets at the end of the year	15.84	13.87	-	-

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, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Discount rate				
+ 1% discount rate	15.69	13.19	2.84	2.45
- 1% discount rate	18.90	15.67	3.46	2.96
Salary increase				
+ 1% salary growth	18.90	15.68	3.47	2.96
- 1% salary growth	15.65	13.16	2.83	2.44

c) Experience adjustments

	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Defined benefit obligation	17.18	15.13	3.12	2.62
Fair value of plan assets	15.84	15.42	-	-
(Surplus)/deficit in plan assets	1.34	(0.29)	3.12	2.62
Experience adjustment on plan liabilities	1.28	(0.92)	-	(0.33)
Actual return on plan assets less interest on plan assets	0.13	(0.06)	-	-

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 29 : FINANCE COST		
Interest expense	13.65	29.20
Other borrowing costs	8.77	5.29
	22.42	34.49

	2021-22	2020-21
NOTE 30 : OTHER EXPENSES		
Stores & Spares Consumption	69.90	51.17
Power	18.21	26.61
Manufacturing Expenses		
Plant process & services	20.20	17.92
Material handling Expenses	33.97	25.05
Other Manufacturing Expenses	0.22	0.22
Repairs & Maintenance		
Building	2.78	2.71
Plant & Machinery	8.18	6.73
Others	5.89	6.28
Rent	1.48	1.41
Rates & Taxes	15.45	13.05
Insurance Charges	3.81	3.48
Miscellaneous Expenses		
Travelling & Conveyance expenses	3.99	3.01
Legal & Professional Expenses	5.80	5.08
Administrative & Other Expenses	10.34	9.65
Selling Expenses		
Carriage Outward	12.98	7.98
Selling Commission & Brokerage	5.23	3.88
Other Selling Expenses	1.09	0.44
Exchange differences (net)	(4.07)	(3.26)
Payment to Auditors	0.27	0.24
	215.72	181.65

	2021-22	2020-21
NOTE 31 : PAYMENTS TO THE AUDITOR		
As auditor:		
Audit fee	0.24	0.21
Tax audit fee	0.03	0.03
	0.27	0.24

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 32 : EARNINGS PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	659.78	296.54
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	659.78	296.53
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	360.49	360.49
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	360.49	360.49
Basic (₹)	183.02	82.26
Diluted (₹)	183.02	82.26

	2021-22	2020-21
NOTE 33 : OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(0.87)	1.05
(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.08)	(0.08)
	(0.95)	0.97

NOTE 34 : 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

Particulars	2021-22				2020-21			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,934.89	690.04	3.28	2,628.21	1,228.19	348.32	3.64	1,580.15
Inter segment sales		16.18	218.44	234.62		14.85	203.73	218.58
Others Unallocated				13.73				14.81
Less: Inter segment sales				234.62				218.58
Total Revenue	1,934.89	706.22	221.72	3,641.94	1,228.19	363.17	207.37	1,594.96
Result								
Segment Result	634.29	260.55	1.03	895.87	332.52	37.97	(1.78)	368.71
Unallocated Expenses net off unallocated income				(0.96)				44.40
Operating Profit				894.91				413.11
Interest & Forex Fluctuation Loss (Net)				(18.34)				(31.22)
Profit Before Tax & Extraordinary Item				876.57				381.89
Provision for taxation								
For Current Year				216.75				80.50
For Deferred Taxation				0.05				4.85
Profit After Taxation				659.77				296.54

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

Particulars	2021-22				2020-21			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Other Information								
Segment Assets	970.02	259.63	112.52	1,342.17	823.19	291.49	107.72	1,222.40
Unallocated Assets				1,832.85				1,367.55
Total Assets				3,175.02				2,589.95
Segment Liabilities	203.87	108.01	38.41	350.29	172.90	114.31	32.57	319.78
Unallocated Liabilities				182.00				259.23
Total Liabilities				532.29				579.01
Capital Expenditure	138.17	12.82	5.61	156.60	38.64	13.92	(2.98)	49.58
Depreciation / Amortization	31.38	5.92	9.84	47.14	27.76	4.33	9.32	41.41
Unallocated Depreciation				6.44				6.76

NOTE 35 : RELATED PARTY DISCLOSURE

a) 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 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
		Raipur Mega Food Park Private Limited

Notes

to standalone financial statements for the year ended 31st March, 2022

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
		Mr. Manish Sethi (CS)
6	Relatives of Directors / KMP's	Mr. Anant Sarda
		Mr. Ghanshyam Sarda
		Mr. Mahesh Khator
		Mr. Satyanarayan Khator
		Ms. Niharika Jain

b) Material Transactions with Related Parties

(₹ in Crore)

	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Loans/Advances Given	566.89	42.89	-	390.30	-	-
	(244.38)	(10.55)	-	(233.23)	-	-
Loans/Advances Received Back	489.84	42.74	-	242.92	-	-
	(295.38)	(10.55)	-	(240.55)	-	-
Loans/Advances Taken	-	19.50	-	-	-	-
	-	(47.37)	-	-	-	-
Loans/Advances Repaid	-	36.07	-	-	-	-
	-	(33.91)	-	(0.18)	-	-
Material Transferred/Sold	48.87	-	-	0.73	-	-
	(31.61)	-	-	(2.71)	-	-
Materials Purchased	21.01	-	-	0.90	-	-
	(22.37)	(0.01)	-	(4.32)	-	-
Interest Received	15.05	0.05	-	16.64	-	-
	(14.34)	-	-	(16.21)	-	-
Interest Paid	0.30	-	-	-	-	-
	-	(0.90)	-	-	-	(0.01)
Commission Paid	-	-	-	-	-	-
	-	-	-	-	-	(0.12)
Remuneration	-	-	-	-	16.61	0.12
	-	-	-	-	(8.80)	(0.01)
Rent Paid	-	-	-	1.55	-	0.02
	-	-	-	(1.53)	-	(0.02)

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Rent Received	0.03	-	-	-	-	-
	-	-	-	-	-	-
Services Offered	0.46	-	0.04	-	-	-
	(0.57)	-	(0.04)	-	-	-
Services Received	-	-	-	2.19	-	-
	-	-	-	(1.94)	-	-
Corporate Guarantee Received Back	-	-	-	-	-	-
	(0.43)	-	-	-	-	-
Investments made/Share application money	60.75	5.98	-	-	-	-
	(7.99)	(5.51)	-	-	-	-
Share of profit	-	24.07	-	-	-	-
	-	(18.08)	-	-	-	-

Note: Figures in bracket represents previous year's figures.

Outstanding as at 31.03.2022

Particulars	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Receivable	257.23	0.16	0.03	274.85	-	-
	(177.89)	-	-	(154.24)	(0.01)	-
Corporate Guarantee Outstanding	51.64	-	-	-	-	-
	(51.64)	-	-	-	-	-
Investments	786.37	95.12	3.93	-	-	-
	(725.62)	(89.14)	(3.93)	-	-	-
Payables	-	3.10	-	0.16	12.93	0.06
	-	(19.72)	-	(0.96)	(5.41)	(0.20)

Out of the above items, transactions and outstanding in excess of 10% of the total related party transactions are as under:

	31st March, 2022	31st March, 2021
Loans/Advances given		
Sarda Metals & Alloys Limited	244.31	148.02
Chhatisgarh Investments Limited	373.55	233.23
Madhya Bharat Power Corporation Limited	311.97	74.58
Loans/Advances Received Back		
Sarda Metals & Alloys Limited	245.70	188.16
Chhatisgarh Investments Limited	242.92	240.55
Madhya Bharat Power Corporation Limited	223.16	90.00
Loans/Advances Received		
Chhattisgarh Hydro Power LLP	19.50	47.37
Loans/Advances Returned Back		
Chhattisgarh Hydro Power LLP	36.07	33.91
Materials Transferred/Sold		
Sarda Metals & Alloys Limited	36.05	14.94
Sarda Energy Limited	12.82	16.67

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	31st March, 2022	31st March, 2021
Materials Received/Purchased		
Sarda Metals & Alloys Limited	18.10	22.03
Earth Stahl & Alloys Private Limited	-	0.15
Chhattisgarh Metaliks & Alloys Private Limited	0.57	3.53
Interest Received		
Chhattisgarh Investments Limited	16.64	16.21
Parvatiya Power Limited	3.35	3.26
Madhya Bharat Power Corporation Limited	10.04	6.66
Interest Paid		
Sarda Metals & Alloys Limited	0.30	-
Mahesh Khator	-	0.01
Chhattisgarh Hydro Power LLP	-	0.90
Commission paid		
Earth Stahl & Alloys Private Limited	-	-
Satyanarayan Khator	-	0.12
Remuneration Paid		
Mr. Kamal Kishore Sarda	8.56	4.66
Mr. Pankaj Sarda	5.87	3.02
Rent Paid		
Chhattisgarh Investments Limited	0.70	0.70
Rishabh Mining & Transport Company Private Limited	0.85	0.83
Rent Received		
Natural Resources Energy Private Limited	0.03	-
Services Offered		
Sarda Metals & Alloys Limited	0.46	0.46
Madhya Bharat Power Corporation Limited	-	0.11
Services Received		
Geschaft Formulae India Private Limited	2.19	1.94
Corporate Guarantee Received back		
Sarda Metals & Alloys Limited	-	0.43
Investment Made including Share Application		
Madhya Bharat Power Corporation Limited	60.26	-
Chhattisgarh Hydro Power LLP	5.97	5.50
Sarda Global Ventures Pte Limited, Singapore	-	7.55
Share of Profit		
Chhattisgarh Hydro Power LLP	24.07	18.08

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

Outstanding as on

	31st March, 2022	31st March, 2021
Investments		
Sarda Metals and Alloys Limited	213.05	212.61
Madhya Bharat Power Corporation Limited	460.09	399.83
Chhattisgarh Hydro Power LLP	91.28	85.31
Receivables		
Sarda Metals and Alloys Limited	0.53	13.46
Chhattisgarh Investments Limited	257.90	153.57
Madhya Bharat Power Corporation Limited	195.18	97.05
Parvatiya Power Limited	41.09	41.75
Corporate Guarantee		
Sarda Metals and Alloys Limited	51.64	51.64
Payables		
Mr. Kamal Kishore Sarda (Remuneration)	6.63	2.80
Mr. Pankaj Sarda (Remuneration)	5.02	2.27
Chhattisgarh Hydro Power LLP	3.10	19.72

NOTE 36 : COMMITMENTS

- a. Estimated amount of contracts remaining to be executed on capital account, net of advance given and not provided for as at 31st March, 2022 is ₹ 4.99 Crore (31st March, 2021: ₹ 24.96 Crore).

NOTE 37 : 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.

(₹ In Crore)

- a) Gross amount required to be spent by the Company during the year is ₹ 5.85 Crore
 b) Amount spent during the year on:

Sl. No.	Particulars	In Cash	Yet to be paid	Total
(i)	Construction / acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	5.87	-	5.87

Notes

to standalone financial statements for the year ended 31st March, 2022

NOTE 38 : 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:

	(₹ in Crore)	
	As at 31st March, 2022	As at 31st March, 2021
(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	5.20	2.13
- 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.	-	-

	Year ended 31st March, 2022	Year ended 31st March, 2021
NOTE 39 : CONTINGENT LIABILITIES		
Guarantees given by Company's bankers	350.83	193.07
Bills discounted with the Company's bankers under Letters of Credit	48.01	53.28
Corporate Guarantee given to HDFC Bank Limited for disbursement of term loan to Sarda Metal & Alloys Limited (SMAL), wholly owned subsidiary of the Company	51.64	51.64
Claims against the Company not acknowledged as debt	31.45	17.59
Excise Duty & Service Tax Demand	17.26	16.78
VAT, CST & Entry Tax	3.09	3.09
Income Tax	32.76	8.10
Energy Development Cess	74.86	70.03
Relinquishment Charges of 156 MW LTA for Kolam Power Plant	97.20	97.20

i) Excise Duty & Service Tax

- 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).
- Excise Duty demand of ₹ 0.71 Crore (P.Y. ₹ 0.34 Crore) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- Service Tax demand of ₹ 16.27 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).

Notes

to standalone financial statements for the year ended 31st March, 2022

ii) Value Added Tax/Central Sales Tax/Entry Tax

Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 3.09 Crore (P.Y. ₹ 3.09 Crore) are pending in appeal against assessment of various years.

iii) Income Tax

₹ 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 disallowance 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. ₹ 16.45 Crore (P.Y. Nil) for the Assessment Year 2016-17 for disallowance made under section 148 of Income Tax Act, 1961. ₹ 7.76 Crore (P.Y. Nil) for the Assessment Year 2018-19 for penalty made under section 270(A) of Income Tax Act, 1961. For Assessment year 2017-18 and Assessment year 2016-17 the Company has filed appeal before Commissioner of Income Tax (Appeal) and the matter are pending. For Assessment year 2018-19 the company has filed writ before Hon'ble HC Mumbai and the matter is pending.

iv) Energy Development Cess of ₹ 74.86 Crore (P.Y. ₹ 70.03 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) 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 40 : CONTINGENT ASSET

i) The Company has NIL pending (PY ₹ 0.91 Crore) as on 31st March, 2022.

NOTE 41 : 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.

Notes

to standalone financial statements for the year ended 31st March, 2022

Trade receivables

Trade receivables represent the most significant exposure to credit risk and are stated after an allowance for impairment and expected credit loss.

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 recognize 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, 2022	31st March, 2021
Trade and other receivables	92.84	78.09
Loans and advances	570.30	395.02
Cash and cash equivalents	22.63	2.69
Impairment losses		
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	3.03	3.01
Provided during the year	(0.11)	0.01
Closing balance	2.91	3.03
Ageing analysis		
Upto 3 months	94.06	65.12
3-6 months		12.93
More than 6 months	1.70	3.07
	95.75	81.12
	-	-

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:

	(₹ in Crore)	
	31st March, 2022	31st March, 2021
Term Loan - Union Bank of India-TG3	-	6.13
Cash Credit facility	187.67	177.00
Current investments	274.04	92.23

Notes

to standalone financial statements for the year ended 31st March, 2022

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31st March 2022

(₹ in Crore)

	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	27.69	142.84	-	170.53
Trade payables	142.04	-	-	142.04
Security deposits	1.17	3.17	-	4.34
Other financial liabilities	89.36	-	-	89.36
	260.26	146.00	-	406.21

As at 31st March 2021

(₹ in Crore)

	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	63.97	-	-	63.97
	280.36	221.05	-	501.41

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

(₹ in Crore)

	31st March, 2022	31st March, 2021
Variable rate borrowings	170.53	269.96
	170.53	269.96

b) Sensitivity analysis

Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates.

(₹ in Crore)

	Impact on profit after tax	
	31st March, 2022	31st March, 2021
Interest rates - increase by 70 basis points	(0.10)	(0.56)
Interest rates - decrease by 70 basis points	0.10	0.56

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.

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	Currency	Impact on profit after tax	
		2021-2022	2020-21
Trade Payables	USD	1.25	1.34
Trade Receivables	USD	(0.32)	-

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

	Impact on profit after tax	
	31st March, 2022	31st March, 2021
Foreign exchange rates - increase by 1%	(0.71)	(0.98)
Foreign exchange rates - decrease by 1%	0.71	0.98

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 % in the index at the reporting date on profit & loss would have been an increase of Rs. 5.48 Crore (2020-21: ₹ 1.85 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 ₹ 0.029 Crore (2020-21: Rs. 0.028 Crore); an equal change in the opposite direction would have decreased profit and loss.

	31st March, 2022	31st March, 2021
Total liabilities	170.53	259.29
Less : Cash and cash equivalent	22.63	2.69
Net debt	147.90	256.60
Total equity	2,642.74	2,010.94
Net debt to equity ratio	0.06	0.13

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

NOTE 42 : 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; and
- 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
- 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.

Notes

to standalone financial statements for the year ended 31st March, 2022

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.

(₹ in Crore)

	31st March, 2022	31st March, 2021
Total liabilities	170.53	259.29
Less : Cash and cash equivalent	22.63	2.69
Net debt	147.90	256.60
Total equity	2,642.74	2,010.94
Net debt to equity ratio	0.06	0.13

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

NOTE 43 : FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

31st March, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	23.41	23.41				-
Non-current investments								
Unquoted Equity Investments		1.45	885.45	886.90		1.45		1.45
Quoted Mutual Funds	0.25			0.25	0.25			0.25
Current investments								
Quoted Equity Investments	274.03			274.03	274.03			274.03
Financial Asset: Loans & others	-		570.30	570.30				-
Trade and other receivables	-		92.83	92.83				-
	274.28	1.45	1,571.99	1,847.72	274.28	1.45	-	275.73
Financial liabilities								
Long term borrowings			142.84	142.84				-
Short term borrowings			27.69	27.69				-
Trade and other payables			142.04	142.04				-
Other financial liabilities	-		93.70	93.70	-			-
	-	-	406.27	406.27	-	-	-	-

31st March, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised 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	-		395.01	395.01	-			-
Trade and other receivables			78.09	78.09				-
	92.43	1.45	1,295.21	1,389.09	92.43	1.45	-	93.88

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

31st March, 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Long term borrowings			218.12	218.12				-
Short term borrowings			51.84	51.84				-
Trade and other payables			164.50	164.50				-
Other financial liabilities	-		66.96	66.96	-			-
	-	-	501.42	501.42	-	-	-	-

*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 44 : INCOME TAX EXPENSE

- i) Income tax recognized in profit or loss

	31st March, 2022	31st March, 2021
a) Current tax expense		
Current year	215.99	80.58
Adjustment for prior periods	0.76	(0.08)
Deferred tax expense		
Origination and reversal of temporary differences	0.05	4.85
Total income tax expense	216.80	85.35

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

ii) Income tax recognized in OCI

	31st March, 2022	31st March, 2021
Remeasurements of defined benefit plans and fair valuation of Equity Instruments	(0.08)	(0.08)
Total income tax expense relating to OCI items	(0.08)	(0.08)

	31st March, 2022	31st March, 2021
b) Reconciliation of tax expense and accounting profit		
Accounting profit before tax from continuing operations	876.57	381.89
Accounting profit before tax from discontinued operations		
Accounting profit before tax	876.57	381.89
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	220.62	96.11
Adjustments in respect of current income tax of previous years	0.76	(0.08)
Exceptional item not considered for tax purpose	(6.06)	(4.55)
Expense Allowable for tax purpose	(16.25)	(26.13)
Expense not allowed for tax purpose	15.19	14.08
Income not considered for tax purpose other than PGBP	0.28	0.13
Other temporary differences	0.05	4.85
Effective income tax rate	24.48%	22.10%
Tax Differences due to interest	2.21	0.94
Income tax reported before Adjustment	214.59	84.42
Income tax reported in the statement of profit and loss	216.80	85.36
Income tax attributed to discontinued operations	-	-
	216.80	85.36

	31st March, 2022	31st March, 2021
c) Deferred tax assets and liabilities		
Deferred tax relates to the following:		
Accelerated depreciation for tax purposes	(0.57)	0.46
Expenses allowed on payment basis	(0.12)	0.02
DTA impact on indexatio of land	(1.02)	(0.66)
DTA impact on net movement , Valuation & others	1.83	5.11
	0.12	4.93

	31st March, 2022	31st March, 2021
d) Reconciliation of deferred tax assets/ Liabilities		
Opening balance as at 1 April	47.47	42.54
Tax income/expense during the period recognised in profit or loss	0.13	4.93
Closing balance	47.60	47.47

Notes

to standalone financial statements for the year ended 31st March, 2022

NOTE 45 :

The Company has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

NOTE 46 :

All the transactions are recorded in the books of accounts and there was no income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also there was no previously unrecorded income and related assets which has been recorded in the books of account during the year.

NOTE 47 :

No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 48 :

The Company has not advanced or loaned or invested fundsto any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, the Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding , whether recorded in writing or otherwise, that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 49 :

The Company has complied with the number of layers of companies prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 50 :

The Company has neither traded nor invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 51 :

No scheme of compromise or arrangement has been proposed between the Company & its members or the Company & its creditors under section 230 of the Companies Act 2013 ("The Act") and accordingly the disclosure as to whether the scheme of compromise or arrangement has been approved or not by the competent authority in terms of provisions of sections 230 to 237 of the Act is not applicable.

NOTE 52 :

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

NOTE 53 :

Exceptional items of ₹ NIL (P.Y. ₹ 14.52 crore) represents impairment loss on discarding of Capital Work-in Progress.

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

	Year ended 31st March, 2022	Year ended 31st March, 2021
NOTE 54 : DISTRIBUTION MADE AND PROPOSED:		
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31st March 2022: ₹ 7.50 per share (31st March 2021: ₹ 5.00 per share)	27.04	18.02
Interim dividends on Equity shares:		
Interim dividend for the year ended on 31st March 2022: ₹ NIL per share (31st March 2021: ₹ NIL per share)	–	–
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31st March 2022: ₹ NIL per share (31st March 2021: ₹ 7.50 per share)	–	27.04

NOTE 55 : FINANCIAL RATIOS

S. No.	Ratio	2021-22	2020-21	% Variance	Reasons for Variance
1	Current Ratio (Times)	4.47	3.39	31.93%	Improved liquidity on back of improved profitability resulting in increase in investments and loans & advances.
	(Current Assets/ Current Liabilities)				
2	Debt - Equity Ratio (Times)	0.06	0.13	(49.95%)	Decreased on account of prepayment and repayment of debts during the year coupled with increased networth on the back of improved profitability.
	(Long Term Debts + Current Maturities) / (Equity + Other Equity)				
3	Debt -Service Coverage Ratio	17.39	5.46	218.41%	Increased due to higher profitability and lower debt & interest payment obligations.
	(Profit after Tax + Depreciation + Interest +/- Exceptional items +/- profit/(loss) on sale of fixed assets)				
4	Return on Equity	24.97%	14.75%	69.31%	Increased due to higher net profit on account of improved market demands of the products.
	(Profit after Tax / Shareholder's Equity i.e. equity + other equity)				
5	Inventory Turnover Ratio (Days)	59.99	92.57	(35.19%)	Decreased due to lowering of inventory level on account of better sales realisations coupled with higher sales.
	(Average Inventory / Sales X 365)				
6	Trade Receivables Turnover Ratio (Days)	11.81	16.05	(26.45%)	Decreased due to better realisations from customers compared to turnover of the Company.
	(Average Trade Receivables / Sales X 365)				

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

7	Trade Payables Turnover Ratio (Days)	36.53	54.85	(33.39%)	Decreased due to improved payments to vendors on account of improved liquidity.
	(Average Trade Payables / (Cost Material consumed+ Stores & Spares consumption X 365)				
8	Net Capital Turnover Ratio (Times)	2.47	2.16	13.94%	
	[Sales/ Working Capital (Current Assets - Current Liabilities)]				
9	Net Profit Ratio (%)	24.97%	18.59%	34.32%	Increased due to improved operating profits on account of better sales realisations and margins.
	(Profit after Tax / Sales)				
10	Return on Capital Employed (ROCE)	31.96%	18.98%	68.36%	Increased due to improved operating profits on account of better sales realisations and margins.
	[(Earning before Interest & Taxes +/- exceptional items / (Total Net worth + Long term debt + Deferred Tax Liability)]				
11	Return on Investment				Due to decrease in market prices.
	(i) Current Equity Investments	43.92%	120.12%	(63.44%)	
	(ii) Mutual Funds	4.08%	4.06%	0.49%	

NOTE 56 : 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

Name of the entities	2021-22		
	Amount outstanding as at 31.03.2022	Maximum amount outstanding during the year	Investment by the loanee in the shares of the Company
	₹ in Crore	₹ in Crore	No. of shares
Loans where there is no repayment schedule:			
Sarda Metals & Alloys Limited	-	46.82	
Parvatiya Power Limited	41.09	45.82	
Madhya Bharat Power Corporation Limited	195.20	195.20	
Sarda Energy Limited	20.43	25.63	
Mosh Varaya Infrastructure Limited	19.11	23.19	
Kamal Trading Company	-	-	
Chhatisgarh Investments Limited	257.90	259.13	1,38,78,760
Sarda Power & Steel Limited	15.22	15.22	
Chhatisgarh Hydropower LLP	-	1,559.03	
Orient Press Limited	4.00	11.00	

Notes

to standalone financial statements for the year ended 31st March, 2022

(₹ in Crore)

Name of the entities	2021-22		
	Amount outstanding as at 31.03.2022	Maximum amount outstanding during the year	Investment by the loanee in the shares of the Company
	₹ in Crore	₹ in Crore	No. of shares
B K Infrastructure Private Limited	12.60	14.91	
Sarda Hydro Power LLP	0.16	10.00	
Shiv Trading Company	-	1.11	
Shree Pariyojna Nirman Limited	-	5.00	
Continental Jeweltech Mining Private Limited	-	1.10	
Anubha Industries Private Limited	2.08	2.08	
Shabro Metallic Private Limited	-	7.00	
Neha Devcon Private Limited	-	0.70	
Aarti Sponge And Power Limited	-	0.59	
Shiv Bajrang Power and Ispat Limited	-	10.00	
Aryan Infra Services	0.12	0.19	
Arihant Infrastructure	0.40	0.45	
IA Hydro Energy Private Limited	-	30.08	

The above loans were given for the business activities of the recipients and have been so utilized by them.

Signatures to Notes 1 to 56

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Consolidated Financial Statements

Independent

Auditors' 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, 2022, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flow 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, 2022, 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.

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

Independent

Auditors' Report

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

Auditors' 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 ₹ 3,030.75 crore as at 31st March, 2022, total revenues of ₹ 1,292.59 crore, and net cash flows amounting to ₹ 155.85 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 ₹ 1.51 crore and the Group's share of total comprehensive loss of ₹ 0.48 crore for the year ended 31st March, 2022, 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 Statement of Cash Flow 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.

Independent

Auditors' Report

- (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, 2022 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, 2022 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 with 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 in its 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.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

Independent

Auditors' Report

- v. As stated in Note 54 to the consolidated financial statements
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) During the year no interim dividend has been declared and paid by the Company, therefore reporting under this clause is not applicable.
 - (c) The Board of Directors of the Company have not proposed any final dividend for the year.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

Sanjay Singhanía
Partner

Membership No.076961
UDIN: 22076961AJFSK7944

Raipur, 21st May, 2022

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 2022, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure - A

to the Independent Auditors' Report

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 2022, 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 **OP Singhania & Co**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhania
Partner

Membership No.076961
UDIN: 22076961AJFSK7944

Raipur, 21st May, 2022

Consolidated Balance Sheet

as at 31st March, 2022

(₹ in Crore)

Particulars	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	2	2,700.98	1,172.36
(b) Capital work-in-progress		131.96	1,615.90
(c) Investment Property		46.75	52.88
(d) Goodwill on Consolidation		33.05	30.52
(e) Other Intangible Assets		72.41	30.96
(f) Intangible Assets under development		0.58	0.41
(g) Investment in associates and joint ventures	3 (a)	20.87	27.77
(h) Financial Assets			
(i) Investments	3 (b)	27.40	23.62
(ii) Others	4	8.92	2.80
(i) Other Non-current Assets	5	96.30	62.03
		3,139.22	3,019.25
(2) Current Assets			
(a) Inventories	6	612.97	578.96
(b) Financial Assets			
(i) Investments	7	451.90	214.76
(ii) Trade receivables	8	168.75	138.24
(iii) Cash & cash equivalents	9	216.16	48.72
(iv) Bank balances other than (iii) above	10	65.38	47.85
(v) Loans	11	431.05	307.65
(c) Current tax assets (net)		4.41	0.56
(d) Other Current Assets	12	207.97	162.33
		2,158.59	1,499.07
TOTAL ASSETS		5,297.81	4,518.32
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13(a)	36.05	36.05
(b) Other Equity	13(b)	2,967.67	2,182.09
Equity Attributable to owners of the company		3,003.72	2,218.14
Non Controlling Interests		103.79	100.84
Total Equity		3,107.51	2,318.98
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,195.96	1,492.62
(ii) Other financial liabilities	15	5.24	3.23
(b) Other non current liabilities	16	4.50	4.60
(c) Provisions	17	34.27	9.07
(d) Deferred tax liabilities (Net)	18	123.91	85.13
		1,363.88	1,594.65
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	384.61	220.93
(ii) Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		7.22	5.21
(b) Total outstanding dues of creditors other than micro and small enterprises		205.02	200.14
(iii) Other financial liabilities	21	168.63	137.99
(b) Other current liabilities	22	46.71	28.15
(c) Provisions	23	2.61	6.09
(d) Current tax liabilities (net)		11.62	6.18
		826.42	604.69
TOTAL EQUITY AND LIABILITIES		5,297.81	4,518.32

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

(₹ in Crore)

Particulars	Note	Year Ended 31.03.2022	Year Ended 31.03.2021
I. Revenue from operations	24	3,914.02	2,198.81
II. Other income	25	50.32	144.46
III. Total Revenue (I + II)		3,964.34	2,343.27
IV. Expenses			
Cost of materials consumed	26	2,025.37	1,326.15
Purchases of Stock-in-Trade		126.78	21.33
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(66.14)	(0.39)
Employee benefits expense	28	112.90	88.67
Finance costs	29	147.12	79.10
Depreciation and amortization expense	2	143.16	75.05
Other expenses	30	359.77	243.49
Total Expenses		2,848.96	1,833.40
V. Profit before Exceptional Items and Tax (III - IV)		1,115.38	509.87
VI. Exceptional items (Income) / Expense		7.36	14.52
VII. Profit Before Tax (V - VI)		1,108.02	495.35
VIII. Tax expense			
(1) Current tax		261.03	89.48
(2) Deferred tax		38.76	25.49
IX. Profit for the year before share of profit of Joint Ventures & Associates (VII - VIII)		808.23	380.38
X. Add: Share of Profit of Joint Ventures & Associates		(1.53)	(3.96)
XI. Profit for the year (IX - X)		806.70	376.42
XII. Other comprehensive income for the year, net of tax	31		
Items that will not be reclassified to profit or loss		(1.06)	1.13
Income tax relating to items that will not be reclassified to profit or loss		(0.01)	(0.10)
Items that will not be reclassified to profit or loss		0.29	(3.55)
Income tax relating to items that will not be reclassified to profit or loss		0.84	1.24
XIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		806.76	375.14
XIV. Net Profit /(loss) attributable to			
a/ Owner of the Company		804.16	374.89
b/ Non Controlling Interest		2.54	1.53
XV. Total Comprehensive income /(loss) attributable to			
a/ Owner of the Company		804.16	374.77
b/ Non Controlling Interest		2.60	0.38
XVI. Earnings per equity share:	32		
Basic		223.07	104.00
Diluted		223.07	104.00

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(₹ in Crore)

a. Equity Share Capital

For the year ended 31st March 2021

Balance at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at March 31, 2021
36.05	-	36.05	-	36.05

For the year ended 31st March 2022

Balance at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance at March 31, 2022
36.05	-	36.05	-	36.05

b. Other Equity

	Reserves and Surplus				OCI	Exchange differences on translating the financial statements of the foreign operations	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income		
Balance as of 1st April, 2020	4.05	194.03	171.83	1,455.52	(4.87)	13.10	1,833.66
Prior year errors (refer note 38)				(3.11)			(3.11)
Restated Balance as of 1st April, 2020	4.05	194.03	171.83	1,452.41	(4.87)	13.10	1,830.55
Other Comprehensive Income				1.05	(1.18)		(0.13)
Changes during the year						(5.20)	(5.20)
Profit for the year				374.89			374.89
Dividend				(18.02)			(18.02)
Balance as of 31st March, 2021	4.05	194.03	171.83	1,810.33	(6.05)	7.90	2,182.09

	Reserves and Surplus				OCI	Exchange differences on translating the financial statements of the foreign operations	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income		
Balance as of 1st April, 2021	4.05	194.03	171.83	1,810.33	(6.05)	7.90	2,182.09
Other Comprehensive Income				(0.05)	0.04		(0.01)
Changes during the year	-	-				8.47	8.47
Profit for the year				804.16			804.16
Dividend				(27.04)			(27.04)
Balance as of 31st March, 2022	4.05	194.03	171.83	2,587.40	(6.01)	16.37	2,967.67

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crore)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit & Loss Account	1,108.02	495.35
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	143.16	75.05
Finance Costs	147.12	79.10
Share of Profit of joint ventures	(1.53)	(3.96)
Loss pertaining to scraping of assets	7.33	0.76
Exchange differences on translation of assets & liabilities	(1.26)	(14.19)
Net (Gain)/Loss on investments pertaining to Fair valuation	12.99	(93.56)
Interest Income	(41.68)	(31.36)
Dividend income	(2.21)	(1.64)
Amortisation of Capital Subsidy	(0.10)	(0.25)
(Profit) / Loss on sale of investments	(5.47)	(15.50)
(Profit) / Loss on sale of Property, Plant & Equipment	(0.20)	3.27
Effect of exchange difference on translation of subsidiaries	(13.64)	(15.81)
Allowance for credit losses on financial assets	(0.07)	0.39
Impairment loss on discarding of CWIP	7.36	14.52
Operating Profit before working capital changes	1,359.82	492.17
Changes in assets and liabilities		
Trade Receivables	(29.17)	(14.10)
Inventories	(40.05)	(78.20)
Trade Payables	6.95	3.75
Loans and advances and other assets	(210.35)	(148.31)
Liabilities and provisions	88.77	16.92
	1,175.97	272.22
Income Tax Paid	(258.75)	(84.36)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	917.22	187.86
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Property Plant & Equipment	(282.16)	(303.97)
Sale of Property, Plant & Equipment	8.92	1.31
Investment made in Joint Venture, MFs & Others	(245.99)	(5.29)
Investment liquidated in Joint Venture, MFs & Others	27.60	48.43
Loan repaid by/(given to) related & others parties	66.47	58.44
Interest received	24.99	10.76
Dividend received	2.21	1.64
Capital Subsidy received	-	2.50
Change in non-controlling interest	(3.54)	(0.07)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(401.50)	(186.25)

Consolidated Cash Flow Statement

for the year ended 31st March, 2022

(₹ in Crore)

PARTICULARS	Year ended 31.03.2022	Year ended 31.03.2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	175.09
Repayment of long term borrowings	(297.09)	(113.91)
Short term borrowings (net)	163.62	(41.53)
Interest Paid	(170.30)	(71.31)
Dividend & dividend tax paid	(27.04)	(18.02)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	(330.81)	(69.68)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	184.91	(68.07)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	95.85	163.92
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	280.76	95.85
Supplementary Information:		
Restricted Cash Balance	65.38	47.85

Notes :

(a) Cash and cash equivalent include the following :		
Cash on Hand	0.23	0.44
Balances with banks	280.53	95.41
	280.76	95.85

(b) Reconciliation between opening and closing balance in the balance sheet for liabilities arising from financial activities due to cash flows and non cash flow changes .

Particulars	As at 01.04.2021	Cash Flow		Non-cash changes		As at 31.03.2022
		Proceeds	Repayments	Fair value changes	Classification changes	
Long Term Borrowings	1,605.27	-	(297.09)	-	(112.22)	1,195.96
Short Term Borrowings	108.29	163.62	-	-	112.28	384.19

(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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Notes

to consolidated financial statements for the year ended 31st March, 2022

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO 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, 2022. 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, 2022. The financial statement of an associate has been audited up to 31st December, 2021 and the period from 1st January to 31st March, 2022 was unaudited considered in the consolidated financial statement.

Notes

to consolidated financial statements for the year ended 31st March, 2022

- 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.
- v) Revenue on specific Hydro Power Project has been recognized based on the long term Power Purchase Agreement (PPA) entered by the group for supply of its entire power to a state distribution utility. The PPA is governed by Tariff Regulations notified under the Electricity Act. The regulator has approved provisional tariff. The group has recognized revenue & regulated expenditure on its best assessment / understanding of regulations, provisions of PPA, representations, legal advice and after taking into effect of true-up of costs etc. The Pending approval of the final cost of the project and tariff which may result into upward/downward revision of the revenue or regulated expenses, the effect of which will be given on Final approval of tariff petition so revenue from sale of power is accounted as per provisional tariff determined by the regulatory body.
- vi) Depreciation on specific Hydro Power Project is charged to the extent of 90% of the cost of assets following the rates and methodology notified by MYT Regulations, 2021 on straight line method, except for some items on which depreciation is charged to the extent of 95% of the costs of the assets at the rates prescribed in the Companies Act, 2013 or as per rates assessed by Management.
- vii) Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant. Grants that compensate the group for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses. Grants that compensate the group for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset.

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, 2022

(₹ in Crore)

NOTE 2 : PROPERTY, PLANT & EQUIPMENT

	Gross Block				Depreciation				Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021	
Freehold Land	29.03	-	-	29.03	-	-	-	-	29.03	29.03	
Leasehold Land	10.41	29.52	-	39.93	0.76	0.51	(0.02)	1.29	38.64	9.65	
Building	275.00	94.55	7.63	361.92	73.02	13.84	0.14	86.72	275.20	201.98	
Plant & Machinery	1,261.96	1,556.42	14.25	2,804.13	337.50	123.84	5.57	455.77	2,348.36	924.46	
Furniture, Fixture & Equipments	10.23	2.83	0.06	13.00	6.76	1.64	0.03	8.37	4.63	3.47	
Vehicles	9.87	3.27	2.07	11.07	6.10	1.28	1.43	5.95	5.12	3.77	
	1,596.50	1,686.59	24.01	3,259.09	424.14	141.11	7.14	558.11	2,700.98	1,172.36	

(ii) Ageing of capital work-in-progress is as below:

As at 31st March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	112.50	12.74	1.53	4.89	131.66
Project temporarily suspended	-	-	-	0.30	0.30
	112.50	12.74	1.53	5.19	131.96

As at 31st March, 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Projects in progress	65.91	515.09	281.55	751.74	1,614.29
Project temporarily suspended	-	-	-	1.61	1.61
	65.91	515.09	281.55	753.35	1,615.90

Note:

As at the balance sheet date, assets / projects forming part of capital work in progress are neither exceeded its estimated cost nor its estimated completion time line.

Investment Property

	Gross Block				Depreciation				Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021	
Freehold Land - IP	40.41	-	6.04	34.37	-	-	-	-	34.37	40.41	
Building - IP	13.76	0.17	-	13.93	1.29	0.26	-	1.55	12.38	12.47	
	54.17	0.17	6.04	48.30	1.29	0.26	-	1.55	46.75	52.88	

Amount recognized in profit & loss for investment properties

	As at 31st March, 2022	As at 31st March, 2021
Rental Income (Included in non-operating income)	0.20	0.09
Other expenses related to investment Properties	0.04	0.04
Profit from Investment Properties before depreciation	0.16	0.05
Depreciation	0.26	0.25
Profit/(Loss) from Investment Properties	(0.10)	(0.20)

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

Other Intangible Assets

	Gross Block				Depreciation			Net Block		
	As on 01.04.2021	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2022	Up to 01.04.2021	Depreciation for the year	Transfer / Adjustment	As on 31.03.2022	As on 31.03.2022	As on 31.03.2021
Computer Software	2.23	0.17	-	2.40	1.42	0.17	-	1.59	0.81	0.81
Minig Rights & Development	3.08	37.03	-	40.11	1.12	0.49	-	1.61	38.50	1.97
Rights to use land	33.15	6.08	-	39.23	4.97	1.17	-	6.13	33.10	28.18
Total	38.46	43.28	-	81.74	7.50	1.83	-	9.33	72.41	30.96

	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	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	(0.00)	73.02	201.98	210.02
Plant & Machinery	1,231.98	38.16	8.18	1,261.96	281.10	59.92	3.52	337.50	924.46	950.88
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				

Investment Property

	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 - 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				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
Computer Software	1.88	0.35	-	2.23	1.28	0.14	-	1.42	0.81	0.60
Mining 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
	37.78	0.68	-	38.46	6.33	1.17	-	7.50	30.96	31.45

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 3 : NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS		
(a) Investment in Joint Ventures and Associates		
Using equity method	20.87	27.77
	20.87	27.77
(b) Investments		
Carried at FVTOCI		
Investments in other companies in Unquoted Equity Instruments	27.15	23.42
Carried at FVTPL		
Investment in Mutual Fund	0.25	0.20
	27.40	23.62

	As at 31st March, 2022	As at 31st March, 2021
NOTE 4 : NON CURRENT ASSETS - FINANCIAL ASSET - OTHER FINANCIAL ASSETS		
Security Deposits		
Unsecured , considered good	1.41	1.80
Bank Deposit with more than 12 months maturity	6.01	1.00
Other Advance	1.50	-
	8.92	2.80

	As at 31st March, 2022	As at 31st March, 2021
NOTE 5 : OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	75.48	26.78
(b) Advances other than capital advances		
Unsecured, considered good		
Security deposits and others	20.29	22.90
Pre Paid Expenses	0.53	12.35
	96.30	62.03

	As at 31st March, 2022	As at 31st March, 2021
NOTE 6 : INVENTORIES		
(valued at lower of cost and net realisable value)		
(a) Raw Material	300.09	347.68
(b) Finished / semi finished goods	253.28	187.47
(c) Stock-in-Trade	0.50	0.17
(d) Stores and spares	46.30	43.64
(e) Cost of land and Plots under Development	12.72	-
(f) Material in Transit	0.08	-
	612.97	578.96

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
Carried at FVTPL		
(i) Investments in Equity Instruments in other Companies (Quoted)	133.89	92.23
(ii) Investments in Mutual Funds	189.14	-
(iii) Investments held for trading	128.87	122.53
	451.90	214.76

	As at 31st March, 2022	As at 31st March, 2021
NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	1.51
Trade receivables considered good - Unsecured	168.75	136.43
Trade receivables which have significant increase in Credit Risk	2.85	3.63
Trade receivable - credit impaired	0.69	-
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(3.54)	(3.33)
	168.75	138.24

Outstanding for following period for due of payment as on 31st March 2022

	Not Due	Less than 6 month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables- considered good	157.93	10.45	0.24	0.75	-	-	169.37
Undisputed trade receivables- which have significant increase in Credit Risk				0.10	0.11	2.64	2.85
Undisputed trade receivables- credit impaired						0.07	0.07
Disputed trade receivables- considered good		-	-	-	-	-	-
Disputed trade receivables- which have significant increase in Credit Risk							
Disputed trade receivables- credit impaired						-	-
	157.93	10.45	0.24	0.85	0.11	2.71	172.29

Outstanding for following period for due of payment as on 31st March 2021

	Not Due	Less than 6 month	6 Month to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Undisputed trade receivables- considered good	107.94	29.95	0.34	-	-	-	138.23
Undisputed trade receivables- which have significant increase in Credit Risk			0.03	0.06	0.36	2.58	3.03
Undisputed trade receivables- credit impaired		-	-	-	-	-	-
Disputed trade receivables- considered good							
Disputed trade receivables- which have significant increase in Credit Risk							
Disputed trade receivables- credit impaired					0.31		0.31
	107.94	29.95	0.37	0.06	0.67	2.58	141.57

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 9 : CURRENT ASSETS - FINANCIAL ASSETS - CASH & BANK EQUIVALENTS		
Balances with banks		
In current accounts	34.26	46.23
Deposits with Banks-Maturity for less than 3 months	181.67	2.05
Cash on hand	0.23	0.44
	216.16	48.72

	As at 31st March, 2022	As at 31st March, 2021
NOTE 10 : CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS-		
FDR with Bank	64.61	47.13
Unpaid dividend	0.77	0.72
	65.38	47.85

	As at 31st March, 2022	As at 31st March, 2021
NOTE 11 : CURRENT ASSETS - FINANCIAL ASSETS - LOANS		
(a) Loans and advances to related parties		
Considered good - Unsecured	278.33	175.78
(b) Other loans		
Considered good - Unsecured		
(i) Earnest money deposit	3.72	4.40
(ii) Loans to employees	0.45	0.26
(iii) Loans and advances to other parties	53.53	106.29
(iv) Claims & recoverables	95.02	20.92
	431.05	307.65

	As at 31st March, 2022	As at 31st March, 2021
NOTE 12 : OTHER CURRENT ASSETS		
Advances other than capital advances		
Unsecured, considered good		
(i) Employee Advance	0.02	0.04
(ii) Advances to vendors	185.79	145.24
(iii) Advance royalty paid	1.05	0.01
(iv) Prepaid expenses	5.19	3.52
(v) Balances with revenue authorities	14.65	10.84
(vi) Others	1.27	2.68
	207.97	162.33

Notes

to consolidated financial statements for the year ended 31st March, 2022

	As at 31st March, 2022		As at 31st March, 2021	
	No.	₹ in Crore	No.	₹ in Crore
NOTE 13 (a) : EQUITY SHARE CAPITAL				
A Authorized				
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, 2022		As at 31st March, 2021	
	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 2022		As at 31st March 2021	
	Number of shares	%	Number 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, 2022, 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 18,837 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.

G. Details of promoters' shareholding percentage in the Company is as below:

Share held by promoter at the end of the year				% Change during the year
S No.	Promoter Name	No of Shares	% of total shares	
1	Kamal Kishore Sarda	5,64,518	1.57%	0.00%
2	Kamal Kishore Rathi	6,000	0.02%	0.00%
3	Aditi Sarda	9,132	0.03%	0.00%

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

Share held by promoter at the end of the year				% Change during the year
S No.	Promoter Name	No of Shares	% of total shares	
4	Shashi Rathi	19,467	0.05%	0.00%
5	Jugal Kishore Sarda (HUF)	21,716	0.06%	0.00%
6	Aditya Ghanshyam Sarda	1,12,840	0.31%	0.00%
7	Raghav Sarda	1,12,840	0.31%	0.00%
8	CSP Investments (Chhatisgarh Investments Limited, Sarda Agriculture & Properties Private Limited, Prachi Agriculture & Properties Private Limited)	1,47,731	0.41%	0.00%
9	Vipula Sarda	4,22,665	1.17%	1.17%
10	Ghanshyam Sarda	6,39,224	1.77%	-2.09%
11	Pankaj Sarda	6,91,107	1.92%	0.00%
12	Veenadevi Sarda	7,02,350	1.95%	0.00%
13	Manish J Sarda	7,77,335	2.16%	-0.59%
14	Neeraj Sarda	7,77,335	2.16%	-0.58%
15	Anant Sarda	8,08,289	2.24%	0.00%
16	Uma Sarda - Trustee to K K Sarda Family Trust	10,00,000	2.77%	0.00%
17	Uma Sarda	12,42,579	3.45%	2.09%
18	Prachi Agriculture & Properties Private Limited	15,65,322	4.34%	0.00%
19	Sarda Agriculture & Properties Private Limited	26,35,150	7.31%	0.00%
20	Chhatisgarh Investments Limited	1,38,78,760	38.50%	%0.00
		2,61,34,360	72.50%	%0.00

NOTE 13 (b) :

	As at 31st March, 2022	As at 31st March, 2021
OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
	4.05	4.05
Securities Premium Account		
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	7.90	13.10
Addition / (deduction) during the year	8.47	(5.20)
	16.37	7.90

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
Retained Earnings		
Balance as per last financial statements	1,810.33	1,455.52
Prior year errors (refer note 38)	-	(3.11)
Restated balance at the opening of the period	1,810.33	1,452.41
Add : Profit for the year	804.16	374.89
Remeasurements of the net defined benefit plans	(0.05)	1.05
Equity Dividend	(27.04)	(18.02)
	2,587.40	1,810.33
Other Comprehensive Income		
Balance as per last financial statements	(6.05)	(4.87)
Addition / (deduction) during the year	0.04	(1.18)
	(6.01)	(6.05)
	2,967.67	2,182.09

- (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 required 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.

	Non-Current portion		Current Maturities	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
NOTE 14 : NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS				
Term loans (Secured)				
from banks				
Indian Rupee Loan	421.80	657.57	287.76	112.55
from others				
Indian rupee loan from Financial institutions	774.16	834.96	-	-
Hire purchase loans	-	0.09	-	0.09
	1,195.96	1,492.62	287.76	112.64

Notes

to consolidated financial statements for the year ended 31st March, 2022

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 Company Limited

- i. A first ranking exclusive charge by way of mortgage in a form and manner satisfactory to the Lender(s), of all the Borrower's immovable properties, both present and future, including the Project site (excluding forest land).
- ii. A first ranking exclusive charge by way of hypothecation, in a form and manner satisfactory to the Lender(s), of all the Borrower's moveable Project assets, including but not limited to the moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, intangible, 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; guarantee, all Insurance Contracts and Insurance Proceeds.
- iii. A first ranking charge by way of hypothecation on the Borrower's 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 of the Borrower in the Clearances.
 - ii. all Insurance Contracts and Insurance Proceeds.
- v. A first ranking charge by way of hypothecation on all the letters of credit and any other bank account, reserves, relating to the Project, of the Borrower wherever maintained.
- vi. Charge by way of hypothecation on the Trust and Retention Account (including DSRA), all the cash flows of the Project, including balance equity, CER Proceeds, including any other Project related revenue/receipts flowing through the Trust and Retention Account, both present and future.
- vii. A pledge of 80% (eighty percent) of the Project equity (including the additional equity for cost overrun) shareholding of the Borrower, till the currency of the Facility . The same will be reviewed after two years of satisfactory operation of the Project and Facility repayment, in case above is found satisfactory to the Lender, then the pledge of shareholding shall be considered as 51% instead of 80%.
- viii. An unconditional and irrevocable personal guarantee of Mr. Kamal Kishore Sarda (promoter director & CMD of the Borrower) for full tenure of the Facility. The same will be reviewed after two years of satisfactory operation of the Project and Facility repayment, in case above is found satisfactory, then the personal guarantee shall be released.
- ix. Debt Service Reserve Amount being atleast 2 (two) quarters principal and interest amount.

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 moveable properties and fixed assets

Notes

to consolidated financial statements for the year ended 31st March, 2022

- 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 Crore 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 Crore from HDFC Bank is secured by central Govt Guarantee and pari passu second charge on all the assets of the company.

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 ₹ 12.10 crore) from Banks is payable in 32 equal quarterly installments starting from June 2016.
- ii. Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 77.60 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.
- iii. 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.
- iv. Rupee term loan of ₹ 48.13 crore (Present Outstanding ₹ 33.75 crore) from Axis Bank Limited is payable in 20 equal quarterly installments starting from March 2020.

Madhya Bharat Power Company Limited

Indian Renewable Energy Development Agency Limited (IREDA)

- a. Total existing sanctioned facility is of ₹ 140.00 Crores which is repayable in 60 quarterly installments of ₹ 1.54 crore (40 installments) each and ₹ 3.93 crore (balance 20 installments) commencing from July ,2022 (including moratorium period of 12 month) considering the approved scheduled commercial operation date (SCOD) of June , 2021 by IREDA .
- b. During the FY 2021-22, IREDA has sanctioned additional term loan of ₹ 796.73 crore towards prepayment of term loan of IDBI Bank Limited by parent company and takeover of existing loan facility from other lenders (PFC & PTFS). However, the company has availed ₹ 688.84 crore from the lender and pre paid the entire outstanding term loan of existing lender (PFC and PTFS), the additional term loan shall be repayable in 61 structured quarterly installments .

Chhattisgarh Hydro Power LLP

Secured Bank Loan (HDFC) of ₹ 61.90 Crore , 7.20% 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 of ₹ 144.78 Crore and IDFC First Bank of ₹ 148.53 Crore as per initial stipulation is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027. As per RBI Directives for Covid 19 the Company has been granted Moratorium 1 by Axis Bank and Moratorium 1 & 2 by IDFC First Bank, besides this company has repaid the terminal instalment of Term Loan of IDFC First Bank during the FY 2020-21. Accordingly the repayment has been pushed by one quarter across the board and the tenor of both the term loans is up to December 2027. Further during the year the company has also repaid the instalments pertaining to quarter ended June'22 & September'22 and December'22 of IDFC First Bank. Out of the 41 unequal quarterly instalments of both the banks 18 and 21 instalments of Axis Bank and IDFC Bank respectively have been repaid up to 31.03.2022.
- 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 up to June 2026. Further ,

Notes

to consolidated financial statements for the year ended 31st March, 2022

during the year the company has also repaid the installment pertaining to quarter ended June 22. Out of the 27 unequal quarterly instalments, 11 instalments have been repaid up to 31.03.2022.

- 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 up to September 2025. Further, during the year the company has also repaid the installment pertaining to quarter ended June 22. Out of the 24 unequal quarterly instalments, 11 instalments have been repaid up to 31.03.2022.
- 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 May 2022 and ending on March 2026 with 2 instalments being repayable in March 2026.

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 15 : NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit		
Deposits from Vendors	3.50	3.23
Power Obligation	1.74	-
	5.24	3.23

	As at 31st March, 2022	As at 31st March, 2021
NOTE 16 : OTHER NON CURRENT LIABILITIES		
Capital Subsidy	4.50	4.60
	4.50	4.60

	As at 31st March, 2022	As at 31st March, 2021
NOTE 17 : PROVISIONS		
(a) Provision for employee benefits		
Provision for Leave encashment	6.74	5.32
(b) Others		
Site restoration expenses	27.53	3.75
	34.27	9.07

	As at 31st March, 2022	As at 31st March, 2021
NOTE 18 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	85.13	60.90
Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation	38.78	24.23
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	123.91	85.13

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	As at 31st March, 2022	As at 31st March, 2021
NOTE 19 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Secured		
From Banks (Secured)		
Short term loans	2.29	1.95
Working capital loans (repayable on demand)	-	21.30
Working capital Buyers Credit loans	94.56	85.04
	96.85	108.29
Current maturities of long-term borrowings (refer Note 14)	287.76	112.64
	384.61	220.93

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 Metal & Alloys Limited

- (i) Working capital loans are payable on demand, Buyers Credit are payable on specific dates & no fixed date for repayment of loan from Holding Company.
- (ii) 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.
- (iii) 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 and Yes Bank Limited

	As at 31st March, 2022	As at 31st March, 2021
NOTE 20 : TRADE PAYABLE		
Total outstanding dues of Micro Enterprises & Small Enterprises	7.22	5.21
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	205.02	200.14
	212.24	205.35

Trade Payable Ageing schedule for the year ended -

As at 31st March, 2022

Outstanding for following periods total from transaction date						
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	7.22	-	-	-	-	7.22
Others	144.63	59.16	0.41	0.02	0.80	205.02
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Others	-	-	-	-	-	-
	151.85	59.16	0.41	0.02	0.80	212.24

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

As at 31st March, 2021

Outstanding for following periods total from transaction date						
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	5.21				-	5.21
Others	130.67	67.71	0.19	0.11	1.46	200.14
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Others	-	-	-	-	-	-
	135.88	67.71	0.19	0.11	1.46	205.35

	As at 31st March, 2022	As at 31st March, 2021
NOTE 21 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
(a) Interest accrued but not due on borrowings	6.27	23.19
(b) Deposits from customers	21.60	24.73
(c) Expenses payable	37.08	31.73
(d) Salary & reimbursements	29.23	16.24
(e) Bill discounting (backed by LCs)	48.05	41.34
(f) Unpaid Dividends	0.77	0.72
(g) Provision for expense	25.63	0.04
	168.63	137.99

	As at 31st March, 2022	As at 31st March, 2021
NOTE 22 : OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	20.76	14.39
Others	-	0.14
(b) Deposit from Employees	0.60	0.74
(c) Advances from customers	20.79	10.02
(d) TDS payables	4.18	2.32
(e) Other payable	0.38	0.54
	46.71	28.15

	As at 31st March, 2022	As at 31st March, 2021
NOTE 23 : PROVISIONS		
Provision for employee benefits		
(a) Provision for gratuity	1.52	0.60
(b) Provision for Leave	0.45	0.45
Provision for expenses	0.64	5.04
	2.61	6.09

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 24 : REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	361.81	232.14
Ferro Alloys	1,575.15	856.00
Steel Billets	113.77	84.89
Wire Rod / HB Wire	768.65	534.83
Pellet	617.36	332.69
Power	296.07	78.47
Others	151.56	63.15
Other operating revenues	29.65	16.64
	3,914.02	2,198.81

	2021-22	2020-21
NOTE 25 : OTHER INCOME		
Interest Income	41.68	31.36
Dividend Income		
From Others	2.21	1.64
Net gain on sale of investments	5.47	15.49
Fair value gain on Financial Instruments at FVTPL	(12.99)	93.56
Other non-operating income (net of expenses directly attributable to such income)	13.95	2.41
	50.32	144.46

	2021-22	2020-21
NOTE 26 : COST OF RAW MATERIAL CONSUMED		
Iron Ore	592.82	350.83
Mn Ore	398.41	294.54
Coal	843.31	537.80
Scrap	138.34	91.92
Other Material	52.49	51.06
	2,025.37	1,326.15

	2021-22	2020-21
NOTE 27 : 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	253.28	187.47
Trading Goods	0.50	0.17
	253.78	187.64
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	187.47	187.23
Trading Goods	0.17	0.02
	187.64	187.25
Increase/(Decrease) in Inventories	66.14	0.39

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 28 : EMPLOYEE BENEFIT EXPENSE		
Salaries, incentives & Managerial Remuneration	102.00	80.04
Contributions to -		
Provident fund	5.14	4.41
Superannuation scheme	0.19	0.16
Gratuity fund	1.99	1.62
Staff welfare expenses	3.58	2.44
	112.90	88.67

	2021-22	2020-21
NOTE 29 : FINANCE COST		
Interest expense	132.36	69.28
Other borrowing costs	13.21	8.41
Amortization of ancillary borrowing costs	0.43	0.50
Exchange difference to the extent considered as an adjustment to borrowing costs	1.12	0.91
	147.12	79.10

	2021-22	2020-21
NOTE 30 : OTHER EXPENSES		
Stores & Spares Consumption	96.82	71.02
Power	13.64	8.17
Manufacturing Expenses		
Plant process & services	29.68	26.30
Material handling Expenses	43.40	33.00
Other Manufacturing Expenses	0.61	0.51
Repairs & Maintenance		
Building	2.79	2.74
Plant & Machinery	12.59	10.26
Others	11.88	9.51
Rent	2.93	2.63
Rates & Taxes	18.45	15.62
Insurance Charges	7.38	5.32
Travelling & Conveyance expenses	6.17	4.26
Legal & Professional Expenses	8.95	6.28
Free Power Obligation	12.91	-
Administrative and other Expenses	39.47	35.36
Selling Expenses		
Carriage Outward	60.39	21.20
Selling Commission & Brokerage	5.27	3.88
Other Selling Expenses	1.70	1.11
Exchange differences (net)	(15.89)	(14.20)
Payment to Auditors	0.63	0.52
	359.77	243.49

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	2021-22	2020-21
NOTE 31 : OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(1.06)	1.13
Income Tax relating to above item	(0.01)	(0.10)
Fair value of investment	(0.74)	(3.55)
Share of other comprehensive income in associates & joint ventures	1.03	-
Income Tax relating to above items	0.84	1.24
	0.06	(1.28)

	2021-22	2020-21
NOTE 32 : EARNINGS PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	804.16	374.89
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 (₹)	223.07	104.00
Diluted (₹)	223.07	104.00

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.

Business Segment Primary

Particulars	2021-22				2020-21			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,935.48	1,659.76	306.30	3,901.54	1,216.34	886.11	96.81	2,199.26
Inter segment sales		16.18	455.30	471.48		14.85	330.54	345.39
Others Unallocated				12.49				(0.45)
Less: Inter segment sales		16.18	455.30	471.49		14.85	330.54	345.39
Total Revenue	1,935.48	1,659.76	306.30	3,914.03	1216.34	886.11	96.81	2,198.81
Result								
Segment Result	634.29	536.15	161.05	1,331.49	332.52	133.65	59.44	525.61
Unallocated Expenses net off unallocated income				(92.22)				34.65
Operating Profit				1,239.26				560.26
Interest & Forex Fluctuation Loss (Net)				(131.24)				(64.91)
Profit Before Tax & Extraordinary Item				1,108.02				495.36
<u>Provision for taxation</u>								
For Current Year				(261.03)				(89.48)
For Deferred Taxation				(38.76)				(25.49)
Profit After Taxation				808.23				380.39

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

Particulars	2021-22				2020-21			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Other Information								
Segment Assets	970.02	727.95	1,420.92	3,118.89	823.19	673.04	1,395.26	2,891.48
Unallocated Assets				2,145.86				1,599.41
Total Assets				5,264.75				4,490.89
Segment Liabilities	203.90	235.98	1,491.76	1,931.64	172.91	178.68	1,332.01	1,683.60
Unallocated Liabilities				258.67				515.75
Total Liabilities				2,190.31				2,199.35
Capital Expenditure	138.17	43.52	84.28	265.97	36.31	15.88	218.51	270.71
Depreciation / Amortization	31.38	15.31	88.74	135.43	27.76	13.21	25.81	66.78
Unallocated Capital Expenditure / Depreciation				4.66				19.12

NOTE 34 : 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 (%)	
		2022	2021
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	84.65	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

NOTE 35 :

(a) Interest in Joint Ventures

The financial statements of the following Joint Ventures have been considered in consolidation:

Name of Company	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2022	2021
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 (%)	
		2022	2021
PT. Tigadaya Minergy	Indonesia	49.00%	49.00%

Notes

to consolidated financial statements for the year ended 31st March, 2022

NOTE 36 : RELATED PARTY DISCLOSURE

a) Names of related parties and description of relationship

S. No.	Relationship	Name of Related Parties
1	Joint Ventures/Associates	Raipur Infrastructure Company Limited
		Madanpur South Coal Company Limited
		P T Tigadaya Minergy (Associate of Overseas WOS)
2	Related Enterprises where significant influence exist	Chhatisgarh Investments Limited
		Geschaft Formulae India Private Limited
		Rishabh Mining & Transport Company Private Limited
		Sarda Dairy & Food Products Limited
		Hemnidhi Securities Limited
		Earthstahl & Alloys Private Limited
		Chhattisgarh Metaliks & Alloys Private Limited
		Raipur Mega Food Park Private Limited
		Continental Jeweltech Mining Private Limited
		Kashmirilal Constructions Private Limited
		Vikas Associates
		R. R. Sarda & Co
		Prachi Agriculture & Properties Private Limited
Lighthouse Info Systems Private Limited		
3	Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda
		Mr. Pankaj Sarda
		Mr. Padam Kumar Jain
		Mr. Jitender Balakrishnan
		Mr. C.K. Lakshminarayanan
		Mr. Asit Kumar Basu
		Mr. Rakesh Mehra
		Ms. Tripti Sinha
		Mr. Manish Sethi
		Mr. Manish Sarda
		Mr. Neeraj Sarda
		Mrs. Sonal Sarda
		Mr. V. Sridar
		Mr. Gaurav Thakkar
		Mr. Sanjay Sabat
		Mrs. Vipula Sarda
		Mr. P. S. Duttagupta
		Mr. Gaurishankar Patra
		Ms. Shilpa Rathod
		Mr. Dinesh Kumar Lahoti
Mrs. Uma Sarda		
Mr. Gajinder Singh Sahni		
Mr. Praharsh Agarwal		

Notes

to consolidated financial statements for the year ended 31st March, 2022

S. No.	Relationship	Name of Related Parties
4	Relatives of KMP's	Mr. Ghanshyam Sarda
		Mr. Anant Sarda
		Mr. Vikas Agarwal
		Mr. Mahesh Kumar Khator
		Mr. Satya Narayan Khator
		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, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March, 2021: ₹ 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	(₹ in Crore)			
	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	-	24.97	0.12
	-	-	(13.74)	(0.01)
Rent Paid	-	1.90	-	0.03
	-	(1.97)	-	(0.03)
Loans Granted	-	392.50	-	-
	-	(254.03)	-	-
Loans Received Back	-	265.17	-	-
	-	(251.85)	-	-
Loans Taken	-	5.00	-	-
	-	-	-	-
Loans Repaid	-	5.00	-	-
	-	(0.18)	-	-
Interest Paid	-	0.01	-	-
	-	(0.003)	-	(0.01)
Interest Received	-	18.58	-	-
	-	(17.97)	-	-
Advances Given	-	16.75	-	-
	-	-	-	-
Sale of Goods	-	0.73	-	-
	-	(2.72)	-	-
Purchase of Goods	-	0.92	-	-
	-	(6.24)	-	-
Services Received	-	3.53	-	-
	-	(2.34)	-	-
Services Rendered	0.04	-	-	-
	(0.04)	-	-	-
Commission Paid	-	-	-	-
	-	(0.003)	-	(0.12)

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

Particulars	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Investment made	-	4.48	-	-
	-	(5.17)	-	-
Outstanding as on 31st March				
Receivables	-	16.95	-	-
	-	(1.21)	(0.01)	-
Loans Receivable	-	278.31	-	-
	-	(175.18)	-	-
Loans Payable	-	-	-	-
	-	-	-	-
Payables	-	1.25	17.76	0.04
	-	(1.93)	(5.42)	(0.20)

NOTE 37 : 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 2022 is ₹ 82.14 Crore (31st March 2021: ₹ 77.61 Crore).

NOTE 38 : PRIOR PERIOD ERRORS

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

Certain expenditure found not to be eligible for the capitalization at specific hydro power project of the group, has reversed from capital work in progress by retrospective restatement of the opening balance of capital work in progress and other equity (retained earnings).

NOTE 39 : INCOME TAX EXPENSE

i) Income tax recognized in profit or loss

	31st March, 2022	31st March, 2021
a) Current tax expense		
Current year	261.03	89.45
Adjustment for prior periods	-	0.03
Deferred tax expense	-	-
Origination and reversal of temporary differences	38.76	25.49
Total income tax expense	299.79	114.97

ii) Income tax recognized in OCI

	31st March, 2022	31st March, 2021
That will not be reclassified to profit or loss	(0.01)	(0.10)
That will be reclassified to profit or loss	0.83	1.24
Total income tax expense relating to OCI items	0.82	1.14

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

	31st March, 2022	31st March, 2021
b) Reconciliation of tax expense and accounting Profit		
Accounting profit before tax from continuing operations	1,108.02	495.36
Accounting profit before tax	1,108.02	495.36
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	278.87	124.67
Adjustments in respect of current income tax of previous years	-	0.03
Exempted Income not considered for tax purpose	(6.06)	(4.55)
Expense Allowable for tax purpose	(22.83)	(29.17)
Expense not allowed for tax purpose	26.02	14.08
Income not considered for tax purpose in other than PGBP	0.28	0.10
Effect of different overseas rates	11.96	(11.11)
Income Taxable at special rate of tax	(27.21)	(4.83)
Other temporary differences	38.76	25.49
Effective income tax rate	27.06%	23.16%
Income tax reported in the statement of profit and loss	299.79	114.72
	299.79	114.72

	31st March, 2022	31st March, 2021
c) Reconciliation of deferred tax assets/ Liabilities		
Deferred tax relates to the following:		
Opening balance as at 1st April	85.13	60.89
Accelerated depreciation for tax purposes	53.79	9.08
Expenses allowed on payment basis	(0.75)	0.02
DTA impact on indexation of land	(1.02)	(0.99)
DTA impact on net movement, Valuation & others	31.68	8.93
MAT Credit Adjusted	(44.91)	7.20
	38.79	24.24
Closing balance as at 31st March	123.92	85.13

	Year ended 31st March, 2022	Year ended 31st March, 2021
NOTE 40 : CONTINGENT LIABILITIES		
Guarantees given by group's bankers	364.81	206.39
Bills discounted with the group's bankers under Letters of Credit	48.01	53.28
Claims against the group not acknowledged as debt & disputed in appeals	58.25	28.43
Excise Duty & Service Tax Demand	21.86	18.54
VAT, CST & Entry Tax	9.78	9.38
Income Tax	40.98	9.85
Electricity Duty	11.26	11.25
Energy Development Cess	74.86	70.03
Relinquishment Charges of 156 MW LTA for Kolam Power Plant	120.36	119.03

Notes

to consolidated financial statements for the year ended 31st March, 2022

i) Excise Duty & Service Tax Demand

During the financial year 2021-22 Asst Commissioner has imposed penalty of ₹ 4.59 Crore for claiming transitional input Credit by filing GST Tran 1. The Company has filed appeal before Appellant Joint Commissioner (ST) against the order of Penalty which is pending.

ii) VAT, CST & Entry Tax

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 a write petition 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) Income Tax

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 expenditure 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 raised for ₹ 0.87 Crore after adjustment of advance tax. The company has filed appeals with Commissioner Appeals for both the assessment years which is pending. For Assessment year 2018-19, addition of ₹ 20.61 Crore has been made on account of difference in arm's length price (ALP) as adopted by the company and tax authorities w.r.t specified domestic transactions of sale of power and demand has been raised for ₹ 6.45 Crore. The company has filed appeal with Commissioner Appeals and also filed application for rectification of assessment order and granting stay of demand with income tax officer which are pending.

iv) Electricity Duty

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

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.

vi) Relinquishment Charges

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

Notes

to consolidated financial statements for the year ended 31st March, 2022

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 MWRHEP and Long Term Access has been granted to it w.e.f 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

i) Surcharge

For Madhya Bharat Power Corporation Limited Power Purchase Agreement with CSPDCL and MYT Regulation 2015 provide for levy of Late Payment Surcharge by generating company in case of delay in payment by beneficiaries beyond specified days from the presentation of sale bill. In view of significant uncertainties in the ultimate collection from the beneficiaries , an amount of ₹ 2.63 crore as computed as per PPA condition has not been recognized.

ii) Insurance Claim

For Madhya Bharat power Corporation Limited the company has lodged claim of approx ₹ 7.36 crore with the Insurance Company against loss of Approach Road due to flash flood in the month of October, 2021. The claim is under survey and investigation phase. In view of the pending assessment by the Insurance Company, the amount receivable from insurance company has not been recognized.

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.

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

Notes

to consolidated financial statements for the year ended 31st March, 2022

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, 2022	31st March, 2021
Trade and other receivables	168.75	138.24
Loans and advances	439.98	309.45
Bank, cash and cash equivalents	281.53	97.58

Impairment losses

	31st March, 2022	31st March, 2021
Trade and other receivables (measured under life time expected credit loss model)		
Opening balance	3.33	3.01
Provided during the year	0.21	0.32
Closing balance	3.54	3.33

Ageing analysis*

	31st March, 2022	31st March, 2021
Upto 3 months	170.33	124.98
3-6 months	0.04	12.93
More than 6 months	1.91	3.37
	172.29	141.27

*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.

Financing arrangements

The Group has access to following undrawn borrowing facilities and liquid investments at the end of the reporting period:

(₹ in Crore)

	31st March, 2022	31st March, 2021
Term Loan - Union Bank of India (UBI)	-	6.13
Term Loan - PFC	-	60.05
Term Loan - PTC	-	0.58
Term Loan - IDBI/ IREDA	107.88	0.22

Notes

to consolidated financial statements for the year ended 31st March, 2022

Cash Credit facility	229.68	216.37
Current investments	274.03	92.23

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.

As at 31st March, 2022

	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	385.10	1,192.32	3.12	1,580.54
Trade payables	212.29	-	-	212.29
Security deposits	29.68	1.74	-	31.42
Other financial liabilities	147.04	-	-	147.04
	774.11	1,194.06	3.12	1,971.29

As at 31st March, 2021

	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	221.61	696.07	795.87	1,713.55
Trade payables	205.35	-	-	205.33
Security deposits	32.56	-	-	32.56
Other financial liabilities	113.25	-	-	113.25
	572.77	696.07	795.87	2,064.71

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, 2022	31st March, 2021
Variable rate borrowings	1,485.98	1,628.26
Fixed rate borrowings	94.56	85.29

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	
	2021-22	2020-21
Interest rates - increase by 70 basis points	(3.40)	(7.55)
Interest rates - decrease by 70 basis points	3.40	7.55

(₹ in Crore)

Currency Risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the

Notes

to consolidated financial statements for the year ended 31st March, 2022

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 in Crore)	
	Currency	2021-2022	2020-21
Bank Loans	USD	(0.03)	(0.03)
Trade & Other Payables	USD	(0.11)	(0.01)
Trade & Other Payables	AED	(1.43)	(1.03)
Investment held for Trading	USD	1.23	1.23
Investment held for Trading	AED	1.73	1.62
Investment in associate	USD	0.16	0.28
Trade & Other Receivables	USD	0.82	0.68
Trade & Other Receivables	AED	0.01	0.13
Cash & Cash Equivalents	USD	0.01	0.08
Cash & Cash Equivalents	AED	0.01	0.03

Profit or loss estimate to higher/lower as a result of changes in foreign exchange rates-

	Impact on profit after tax	
	2021-2022	2020-21
Foreign exchange rates - increase by 1%	0.02	1.74
Foreign exchange rates - decrease by 1%	(0.02)	(1.74)

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% increase in the index at the reporting date on profit & loss would have been an increase of ₹ 7.34 Crore (2020-21: ₹3.65 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 ₹ 0.54 Crore (2020-21: ₹ 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, 2022

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, 2022	31st March, 2021
Total liabilities	1,580.57	1,713.55
Less : Cash and cash equivalent	216.16	48.72
Net debt	1,364.41	1,664.83
Total equity	3,107.51	2,318.98
Net Debt to Equity ratio	0.44	0.72

The Company has complied with the covenants as per the terms of the major borrowing facilities throughout the reporting period.

44. FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

(₹ in Crore)

31st March, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	281.53	281.53				-
Non-current investments								
Unquoted Equity Investments		27.15	20.87	48.02		27.15		27.15
Quoted Mutual Funds	0.25			0.25	0.25			0.25
Current investments								
Quoted Equity Investments	451.90			451.90	451.90			451.90
Financial Asset: Loans & others			439.98	439.98				
Trade and other receivables			168.75	168.75				
	452.15	27.15	911.13	1,390.43	452.15	27.15	-	479.30
Financial liabilities								
Long term borrowings			1,195.96	1,195.96				
Short term borrowings			384.61	384.61				
Trade and other payables			212.25	212.25				
Other financial liabilities			173.87	173.87				
			1,966.69	1,966.69				

31st March, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	96.58	96.58				-
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	214.76			214.76	214.76			214.76
Financial Asset: Loans & others			310.46	310.46				
Trade and other receivables			138.24	138.24				
	214.96	23.42	573.05	811.43	214.96	23.42	-	238.38

Notes

to consolidated financial statements for the year ended 31st March, 2022

31st March, 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Long term borrowings			1,492.62	1,492.62				-
Short term borrowings			220.93	220.93				-
Trade and other payables			205.35	205.35				-
Other financial liabilities		-	141.22	141.22	-			-
		-	2,060.12	2,060.12	-	-	-	-

* 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 has been estimated by using the most recent purchase price of such shares. (level 2)

NOTE 45 :

The Group has not undertaken any transactions with companies struck off under section 248 of the Companies Act 2013 or section 560 of Companies Act 1956 during the current year or in previous year.

NOTE 46 :

All the transactions are recorded in the books of accounts and there was no income that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Also there was no previously unrecorded income and related assets which has been recorded in the books of account during the year.

NOTE 47 :

No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 48 :

The group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group

Notes

to consolidated financial statements for the year ended 31st March, 2022

(Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, the Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding, whether recorded in writing or otherwise, that the group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 49 :

The Group has complied with the number of layers of companies prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 50 :

The Group has neither traded nor invested in Crypto Currency or Virtual Currency during the financial year.

NOTE 51 :

No scheme of compromise or arrangement has been proposed between the group & its members or the group & its creditors under section 230 of the Companies Act 2013 ("The Act") and accordingly the disclosure as to whether the scheme of compromise or arrangement has been approved or not by the competent authority in terms of provisions of sections 230 to 237 of the Act is not applicable.

NOTE 52 :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

NOTE 53 :

Exceptional items of ₹ 7.36 Crore (P.Y. ₹ 14.52 Crore) represents impairment loss on discarding of capital work in progress and loss of approach road.

NOTE 54 : DISTRIBUTION MADE AND PROPOSED:

Dividends on equity shares declared and paid:	31st March, 2022	31st March, 2021
Final dividend for the year ended on 31 March 2022: ₹ 7.50 per share (31 March 2021: ₹ 5.00 per share)	27.04	18.02
Interim dividends on Equity shares:		
Interim dividend for the year ended on 31 March 2022: ₹ NIL per share (31 March 2021: ₹ NIL per share)	-	-
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2022: ₹ NIL per share (31 March 2021: ₹ 7.50 per share)	-	27.04

Signature to Notes 1 to 54

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 21, 2022

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

May 21, 2022

For and on Behalf of the Board

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

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	51.58	1602.70	77.63	626.27	(1642.92)	(0.94)	77.51	625.32
Subsidiary								
Indian								
SMAL - Sarda Metals & Alloys Limited	13.68	425.04	18.22	146.97	(382.73)	(0.22)	18.19	146.75
SEL - Sarda Energy Limited	2.81	87.45	0.95	7.69	-	-	0.95	7.69
CHPPL - Chhattisgarh Hydro Power LLP	3.95	122.70	4.14	33.43	53.27	0.03	4.15	33.46
MBPCL - Madhya Bharat Power Corporation Limited	18.09	562.10	0.42	3.42	54.98	0.03	0.43	3.45
PPL - Parvatiya Power Limited	1.13	35.24	0.25	1.98	104.93	0.06	0.25	2.04
SHPLL - Sarda Hydro Power LLP	0.02	0.48	(0.00)	(0.00)	-	-	(0.00)	(0.00)
SRE LLP - Shri Ram Electricity LLP	0.12	3.63	0.00	0.01	-	-	0.00	0.01
NREPL - Natural Resources Energy Private. Limited	0.00	0.15	(0.00)	(0.04)	-	-	(0.00)	(0.04)
Foreign								
SEMHKL - Sarda Energy & Minerals Hongkong Limited	4.94	153.46	0.60	4.87	-	-	0.60	4.87
SGV - Sarda Global Venture Pte. Limited	0.14	4.32	(1.26)	(10.17)	(69.75)	(0.04)	(1.27)	(10.21)
SGT-Sarda Global Trading DMCC	0.20	6.44	(1.09)	(8.77)	-	-	(1.09)	(8.77)
Joint Venture-India								
RICL - Raipur Infrastructure Company Limited	-	-	0.02	0.20	1790.13	1.028	0.15	1.23
MSCCL - Madanpur South Coal Company Limited	-	-	(0.00)	(0.03)	81.30	0.05	0.00	0.02
Associates - Foreign								
PT. Tagadaya Minergy			(0.21)	(1.71)	0.00	0.00	(0.21)	(1.71)
Minority Interest in all subsidiaries	3.34	103.79	0.31	2.54	110.79	0.06	0.32	2.60
	100.00	3107.50	100.00	806.70	100.00	0.06	100.00	806.76

Notes

to consolidated financial statements for the year ended 31st March, 2022

(₹ in Crore)

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 31.03.2022

S. No.	Particulars/Name of the Subsidiary Company	SEMHKL Hongkong	SGV Singapore	SGT Dubai	SMAL India	CHP LLP India	PPL India	MBPCL India	SEL India	SRE LLP India	SHP LLP India	NREPL India
		31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
1	Financial year of the Subsidiary Company/LLP ended on											
2	Date from which it became Subsidiary Company/LLP	17th Sep. 2007	12th June, 2008	06th March, 2018	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	1st March, 2011	21st Sept. 2010	10th Feb. 2015
3	Capital	0.56	28.30	1.88	21.02	122.64	1.54	243.44	0.72	3.54	0.51	0.01
4	Reserves & Surplus	152.90	(23.97)	4.56	404.03	0.06	33.71	318.66	86.74	0.08	(0.03)	0.14
5	Total Assets	155.79	12.66	36.08	939.93	246.15	67.31	1,773.31	108.05	4.28	0.65	0.15
6	Total Liabilities	153.46	4.32	6.44	425.04	122.70	35.24	562.10	87.45	3.63	0.48	0.15
7	Investments	93.09	-	35.78	48.99	-	25.70	-	91.34	-	-	-
8	Turnover	5.14	-	(5.60)	1,069.45	57.29	10.61	203.12	20.26	0.07	0.17	0.00
9	Profit before Taxation	4.87	(10.17)	(8.75)	223.38	40.01	3.85	4.04	7.69	0.06	(0.01)	(0.03)
10	Provision for Taxation	-	-	-	76.41	6.58	(0.03)	-	-	0.04	-	0.01
11	Profit After Taxation	4.87	(11.87)	(8.75)	146.97	33.43	3.89	4.04	7.69	0.03	(0.01)	(0.04)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
13	% of Shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	51.00%	84.65%	100.00%	51.00%	60.00%	100.00%
14	Whether commenced operation	Yes	Yes	Yes	Yes	Yes	Yes	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 31.03.2022, i.e. 1US\$ = ₹ 75.79 [SGV and SEMHKL] and 1AED = ₹ 20.67 [SGT]

Notes :

- SEMHKL - Sarda Energy & Minerals Hongkong Limited
- SGV - Sarda Global Venture Pte. Limited
- SGT - Sarda Global Trading DMCC
- SMAL - Sarda Metals & Alloys Limited
- CHP LLP - Chhattisgarh Hydro Power LLP
- PPL - Parvatiya Power Limited
- MBPCL - Madhya Bharat Power Corporation Limited
- SEL - Sarda Energy Limited
- SRE LLP - Shri Ram Electricity LLP
- 10 SHP LLP- Sarda Hydro Power LLP
- NREPL- Natural Resources Energy Private Limited

(₹ in Crore)

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 31.03.2022

S. No.	Particulars/Name of the Joint Ventures	PT. Tagadaya Minerals, Indonesia
1	Financial year of the Subsidiary Company/LLP ended on	31st March, 2022
2	Share of associates held by the Company on the year end	
	No.	52,733
	Amount of Investment	12.47
	Extend of Holding %	49.00%
3	Networth	5.17
4	Profit/(Loss) for the year	
	i. Considered in Consolidation	(1.71)
	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 Associates
Summary of Financial Information of Associates As on 31.03.2022

S. No.	Particulars/Name of the Joint Ventures	RICL India	MSCCL India
1	Financial year of the Subsidiary Company/LLP ended on	31st March, 2022	31st March, 2022
2	Share of Joint Ventrues held by the company on the year end		
	No.	1,30,800	1,30,742
	Amount of Investment	6.99	1.40
	Extend of Holding %	33.33%	20.13%
3	Networth	17.29	6.86
4	Profit/(Loss) for the year		
	i. Considered in Consolidation	1.23	0.02
	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 21, 2022

K. K. Sarda
 Chairman & Managing Director
 DIN: 00008170
 Raipur
 May 21, 2022

P. K. Jain
 Wholetime Director & CFO
 DIN: 00008379

Manish Sethi
 Company Secretary
 ACS 18069

Glimpse of our operations





Sarda Energy & Minerals Limited
www.seml.co.in