



Sarda Energy & Minerals Limited

ANNUAL REPORT 2022-23



Years of
**Multidimensional
Growth**

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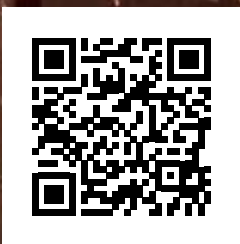
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Financial Statements

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

Or simply scan to download



Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. 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.



Years of **MULTIDIMENSIONAL GROWTH**

WITH IMMENSE GRATITUDE AND HUMBLENESS, WE COMMEMORATE THE COMPLETION OF 50 REMARKABLE YEARS FOR SARDA ENERGY & MINERALS LIMITED (SEML). THIS MILESTONE STANDS AS A TESTAMENT TO OUR UNENDING SPIRIT, NAVIGATING CHALLENGES WITH GRACE AND EMERGING STRONGER YEAR ON YEAR.

Over the decades, we have demonstrated relentless pursuit of excellence and dedication, shaping a diversified and de-risked business model, spanning across steel, energy and minerals. As we stand on the cusp of a new era, we reflect on our accomplishments and set our sights on a future teeming with possibilities, we stand at the precipice of unprecedented transformation. Armed with a resolute commitment to sustainable practices, we are poised to further expand our value-creation capabilities, with a balance of ecological harmony and economic growth.

CORPORATE OVERVIEW

BUILDING A LEGACY OF IMPACT

Sarda Energy: 50-Year Journey of Vertical Integration and Diversification, Adding Value to Energy and Minerals

Since its establishment in 1973, Sarda Energy has been at the forefront of driving meaningful change and leaving a lasting impact. As a flagship company of the Sarda Group, we have cultivated a rich heritage in the steel industry, positioning ourselves among India's lowest-cost steel producers.



Our unwavering dedication for value addition has propelled us beyond boundaries, establishing a robust presence across energy and minerals. This strategic breadth not only shields us from the volatilities of single-product reliance but also safeguards against fluctuations in raw material pricing and availability.

As we celebrate our remarkable 50-year journey, we take immense pride in the impact we have made. From contributing to India's infrastructure development to empowering local communities and fostering socio-economic progress, our commitment to excellence resonates in every aspect of our operations.



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 customer's success story.

People

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

Integrity and ethics

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

Corporate social responsibility

We believe in caring for our environment and our communities for sustainable development.

Our Journey of Excellence and Impact: Evolving from Strength to Strength

“A journey of a thousand miles begins with a single step”

During our journey, we have consistently made substantial investments in our products, personnel and technology. Not only did we contribute to the Iron and steel industry and the nation, we also ventured into Hydro-energy, to contribute our part in reducing environmental pollution. Looking ahead, we are committed to expand our reach, adding more significant milestones on our path to sustained success.



- Commissioned 4.8 MW Hydro power plant in FY 2008-09
- Pellet plant commenced operations in FY 2009-10
- Installed wire rod mill with capacity of 1,80,000 MTPA
- Increased power generation capacity from 48 to 81.50 MW
- Commenced 66 MVA Ferro Alloys plant & 80 MW Thermal power plant at Vizag in 2012-13
- Commissioned 24 MW Hydro Power project in July 2017 at Chhattisgarh

2009-18

- Increased Steel billet capacity from 2,00,000 TPA to 3,00,000 TPA
- Increased pellet capacity from 6,00,000 TPA to 8,00,000 TPA in FY 2020-21
- Commissioned 113 MW Sikkim hydro power plant in June 2021
- Commissioned Gare Palma IV/7 coal mine in January 2022 capacity expanded to 1.44 MMT p.a. in May 2023
- Commenced production at the coal washery of 0.96 MMT p.a. in February 2022
- Increased ferro alloys capacity by 36 MVA in December 22, at Vizag plant
- Increased capacity of wire rod mill from 1,80,000 MT to 2,50,000 MT in Mar 2023

2019-23



Chairman's Message

Dear Shareholders

We are delighted to present the 50th Annual Report of Sarda Energy & Minerals Limited (SEML), as we mark a significant milestone in our journey. This year, we proudly celebrate our 50th year of establishment, showcasing our resilience, adaptability, and commitment to growth. Since our inception, we have diligently pursued a vision of creating a diversified and de-risked business model, encompassing the entire value chain. Today, we stand tall as a leading player with a formidable presence across the steel, energy and mineral sectors.

Driven by Diversity

Our steel manufacturing facilities have been the cornerstone of our success, producing a wide range of quality steel products that cater to the growing demands of various sectors. Recognizing the importance of renewable energy, we ventured into the realm of hydro power generation to hedge against cyclical cashflows of metals business. Today we have successfully established annuity-like revenues leading to higher margins and steady cashflows. In line with our commitment to self-sufficiency, we also strategically invested in mining operations, ensuring a secure supply of raw materials for our steel production

and also giving us a competitive edge in terms of cost efficiency and sustainability.

As part of our post balance sheet development, I am happy to state that we were declared as successful resolution applicant for Chhattisgarh-based SKS Power Generation in June 2023. With the escalating demand for power and positive industry prospects in mind, we submitted an acquisition bid via the IBC route. The plan has been filed with NCLT for its approval. As part of our resolution strategy, we'll be integrating SKS Power into our company, a move that will yield operational synergies by capitalizing on SKS's operational 600-megawatt thermal power plant in proximity to our Raigarh coal mine. The acquisition will be funded through a judicious mix of debt and equity. The equity component will largely be covered by surplus funds and internal accruals.

By leveraging conventional energy sources, we aim to meet the evolving energy demands of our nation while maintaining a balance between conventional and renewable sources.

Macro Scenario

With unwavering government support, driven by a self-reliance mission and bolstered by strategic policy



measures, India has emerged as a formidable player in the global economy. Despite ongoing geopolitical tensions and energy challenges, India has showcased remarkable resilience, securing its position as the fastest growing major economy. Moreover, the nation is becoming an enticing destination for global investors, especially in sectors poised for transformative reforms, including energy, transport and infrastructure.

Consistent Performance

Amidst the promising backdrop, we take great pride in our robust financial performance. On a consolidated basis, we have achieved yet another milestone, recording the highest ever revenues of ₹4,261 Crore and continued to maintain healthy EBITDA and PAT of ₹1,110 Crore and ₹604 Crore, respectively. Furthermore, we are excited to share that during the year, we made a strategic announcement regarding the equity shares split from Face Value of ₹10/- per share to ₹1/- per share in addition to a dividend of ₹1.50 per share of face value of ₹1/- each (150%, inclusive of special dividend of 75%), reinforcing our commitment to reward our shareholders for their unwavering support.

Towards a Strong Growth Trajectory

Moving forward, we are committed to capitalize on

“Since our inception, we have diligently pursued a vision of creating a diversified and de-risked business model, encompassing the entire value chain. Today, we stand tall as a leading player with a formidable presence across the steel, energy and mineral sectors.”

our strong foundation by focusing on several key strategies. These include:

Enhancing ownership of key mineral assets: Following the successful commissioning of Gare Palma IV/7 Coal Mines in the previous fiscal year, we have actively pursued additional prospects in the mining sector, seeking to expand our horizons and capitalize on new opportunities. In this direction, we increased production capacity of Gare Palma IV/7 coal mine, received CTE (EC recommended) for Shahpur West Coal Mine, were awarded MDO contract for the Kalyani Coal Mine by SECL and were declared a preferred bidder for Surjagad 1 Iron Ore Block in Maharashtra in a JV Subsidiary. The resultant outcome will continue to strengthen our supply chain and reduce cost.

We place great importance on environmental stewardship, social responsibility, community development, employee welfare and corporate governance.

Consistent capex: Our capex decisions are strategically aligned to fuel continuous growth and effectively respond to the changing demands of our customers and stakeholders. During the year, we commissioned 36 MVA Ferro Alloys furnace in Vizag, ahead of its schedule. We increased wire drawing capacity to 45,000 MT from 30,000 MT. We further received consent for capacity expansion of wire rod mill from 180,000 MT to 250,000 MT. I am happy to state that we received approvals for the expansion of Gare Palma Coal Mine from 1.2 MMT p.a. to 1.44 MMT p.a and have proposed further increase.

Robust financial position: We maintain a robust financial position, underscored by our comfortable liquidity and leverage position. With a TOL/NW (Total Outside Liabilities/Net Worth) ratio of 0.58x as of March 2023, we are well-positioned for future growth. Our financial outlook is set to improve further with increased free cash flow to be generated from our Hydro Power Projects and the capacity expansions mentioned hereinabove.

Balanced Approach Towards a Sustainable Business Practices

Our commitment to a balanced approach to sustainable business practices is evident throughout

our journey. We place great importance on environmental stewardship, social responsibility, community development, employee welfare and corporate governance. These core values have played a significant role in fostering enduring relationships with all our stakeholders. Adhering to SEBI's mandate, we have included Business Responsibility and Sustainability Report (BRSR) in this annual report, which demonstrates our commitment and highlights our activities in the areas of ESG (Environmental, Social, and Governance).

Closing Note

As we reflect on our achievements and look ahead to the future, we remain steadfast in our pursuit of strengthening our business integration, diversification and strong cash flows. With a dynamic and dedicated team, a robust business model and focus on leveraging emerging opportunities, we are poised to embrace the opportunities that lie ahead. We extend our heartfelt gratitude to our valued shareholders, esteemed customers, dedicated employees and supportive partners for their unwavering trust and collaboration. Together, we have built a legacy of success, and we look forward to a future that is bright, prosperous and sustainable.

Yours sincerely,

Kamal Kishore Sarda



STRATEGIC OVERVIEW

Efficiency, Sustainability and Growth:

Sarda Energy's Agile Business Model in Action

At Sarda Energy, we have experienced the remarkable value that naturally emerges from integrating our businesses in steel, energy and minerals. By seamlessly connecting these interdependent sectors, we have unlocked high levels of value creation for our stakeholders.

Inputs



Financial Resources

Equity: ₹ 3,103 crore

Debt: ₹ 1,407 crore



Manufacturing Capacities

Minerals

	Total Capacity	Operational Capacity
Coal	1.44 MTPA	1.44 MTPA
Iron Ore	1.5 MTPA	0.4-0.5 MTPA

Metals

	Current Capacity	Captive Consumption
Pellets	8,00,000 MT	~35%
Sponge Iron	3,60,000 MT	~60%
Billets	3,00,000 MT	~85%
Wire Rods	2,50,000 MT	~20%
HB Wires	45,000 MT	-
Ferro Alloys	147 MVA	-





Manufacturing Capacities

Hydro Energy

	Operational	Under Execution
Uttarakhand	4.8 MW	-
Chhattisgarh	24 MW	24.9 MW
Sikkim	113 MW	-

Thermal and Waste Heat

	Thermal Capacity	Waste Heat Capacity
Chhattisgarh*	60 MW	21.5 MW
Visakhapatnam	80. MW	-

*In June 2023, SEML was declared as a successful resolution applicant for Chhattisgarh-based SKS Power Generation. SKS was incorporated for development of a 1200 MW (4 x 300 MW) thermal power project in two phases of 600 MW each in Raigarh District of Chhattisgarh. Out of these, 600 MW capacity is in operation with infrastructure of 1200 MW. The remaining capacity of 600 MW is yet to be installed. The matter is pending for approval of NCLT.



Human Resource

Total Workforce: 3,503

Gender Diversity:
3,413 Male : 90 Female

Relationship Management

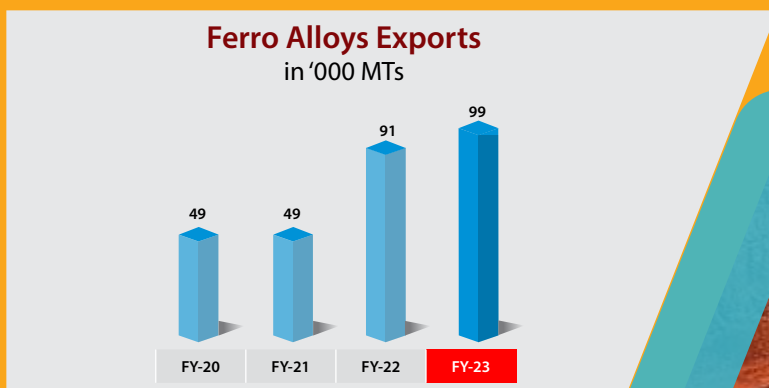
Healthy relations with key stakeholders

- Government and Regulatory Authorities
- Investors/Shareholders
- Employees
- Customers
- Institutions & Industry Bodies
- Communities and Civil Society
- Suppliers

Value-accretive Business Model:

Value-driver

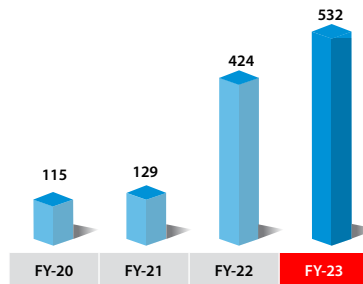
Integrated Business: Our integrated operations drive our competitive edge resulting in operational efficiencies, optimized costs, and long-term business sustainability. Captive mines ensures a seamless supply chain for our steel production. Thermal and waste-heat recovery plants meet captive energy requirements. Besides, we also enjoy flexibility of selling products across entire product value chain.



Diversification into Hydro and Commercial Mining: Our strategic diversification into hydro power business has ensured annuity-like revenues with high margins and steady cashflows, acting as a hedge against cyclical cashflows of metals business. Our foray into commercial mining further strengthens our revenue inflows and open doors of growth in emerging sector in the country.

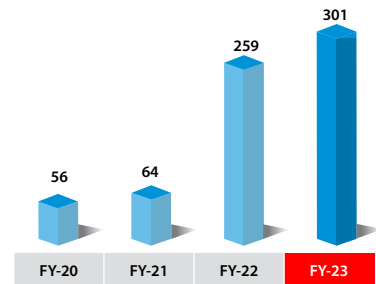
Hydro Power Generation

units in Mn Kwh



Hydro Power Revenue

₹ in crore



Strategic Locations: Our strategically located assets, in proximity to raw materials, ensure a reliable supply chain, while proximity to end users enables efficient distribution and timely delivery.

● ~140 km

Distance of iron ore mines from the Chhattisgarh plant

● ~200 km

Distance of coal mines from the Chhattisgarh plant

● ~40 km

Distance of port from the Ferro Alloys plant at Vishakhapatnam

● ~60 km

Distance of SKS power plant from our coal mine

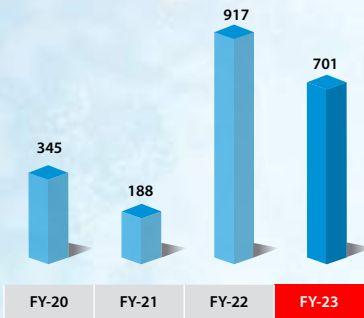


Strong Financials: Our strategic diversification approach has had a positive impact on our financials, resulting in multiple revenue streams, improved liquidity, reduced volatility in earnings and a strengthened leverage position. We anticipate further enhancements to our cash flows with the expansion of our hydro power operations and increased capacities in our coal mine, pellet plant, and wire rod mill. These initiatives continue to drive our growth and strengthen our position for future.

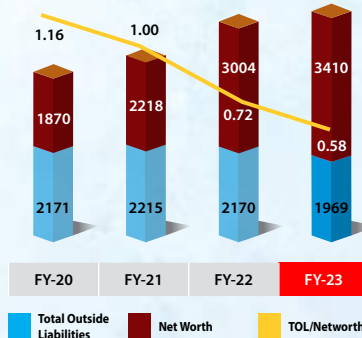
Key Outcomes

Financial Performance Trends

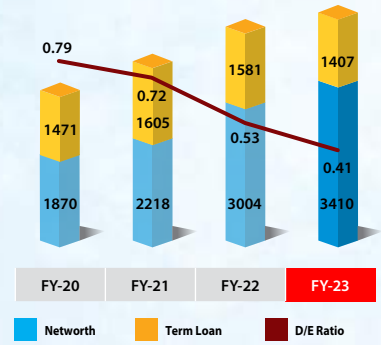
Cash Flow from Operating activities (Consolidated)
₹ in Crore



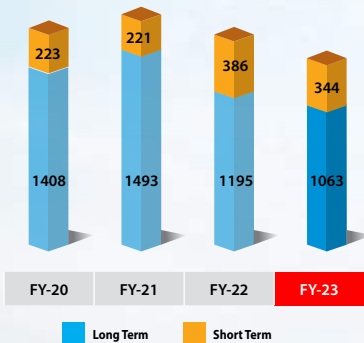
TOL/TNW (Consolidated)
₹ in Crore



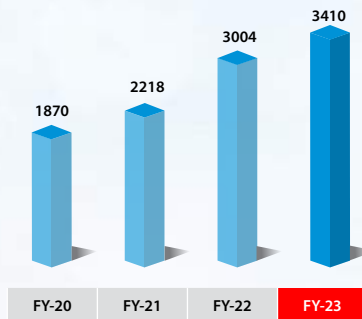
Term Debt - Equity Ratio (Consolidated)
₹ in Crore



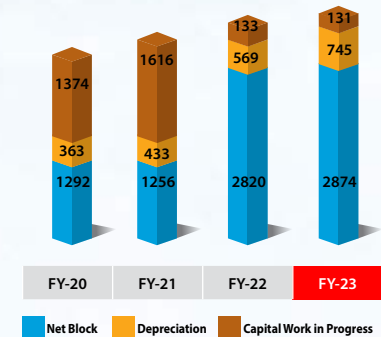
Borrowings (Consolidated)
₹ in Crore



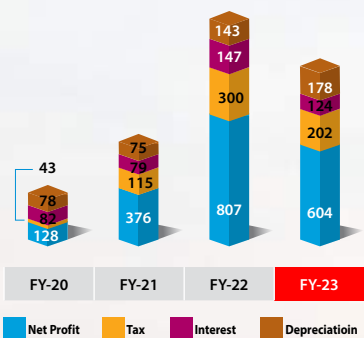
Net Worth (Consolidated)
₹ in Crore



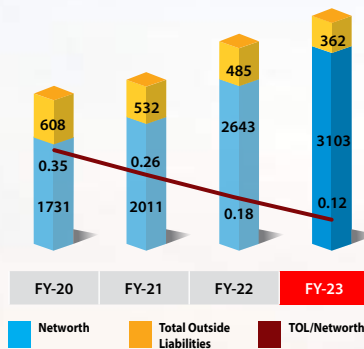
Fixed Assets (Consolidated)
₹ in Crore



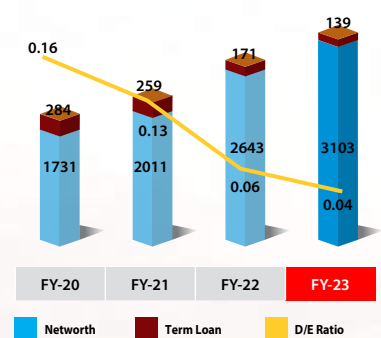
Net Profit, Interest & Tax and Depreciation (Consolidated)
₹ in Crore



TOL/TNW (Standalone)
₹ in Crore

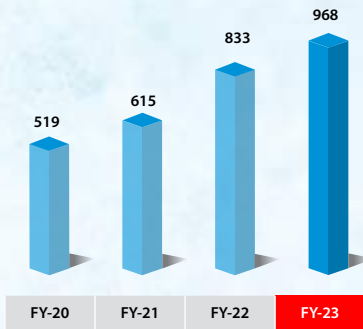


Term Debt - Equity Ratio (Standalone)
₹ in Crore



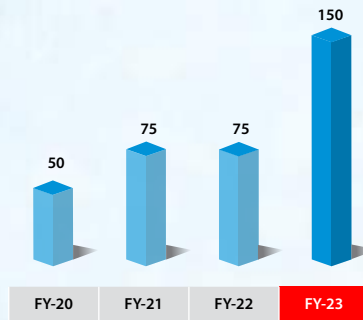
Book Value (Consolidated)

₹ Per Share



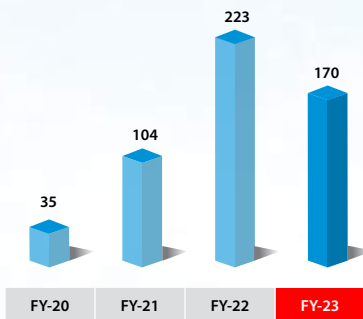
Dividend

in %



EPS (Consolidated)

₹ per share



Credit Ratings

CRISIL
Long Term – AA-/Stable

Short Term – A1+

Key Developments of 2022-23

Operational Performance Trends

- Highest ever annual production and sales of iron ore pellet at 8 lakh MT and 5.22 Lakh MT, respectively
- Highest ever annual production and sales of Wire rod at 1.9 Lakh MT and 1.51 Lakh MT, respectively
- Highest ever annual production and sales of H. B. Wire at 0.39 Lakh MT and 0.4 lakh MT, respectively
- Highest ever annual generation of thermal power at 1,083 Mn Kwh
- Highest ever annual generation of hydro power at 532 Mn Kwh
- Strong first full year of operations for coal with production at 1.2 MnT and Sales at 8.70 Lakh MT

Project Updates



Steel

Received consent for capacity expansion of wire rod mill from 180,000 MT to 250,000 MT in March 2023.



Ferro

Commissioned 36 MVA of new capacity at the Vizag facility in December 2022, increasing the consolidated capacity to 147 MVA



Hydro

Commenced construction for the installation of 24.9 MW plant on the Rehar river in Chhattisgarh - Expected to achieve CoD in FY25



Mining

Gare Palma IV/7 Coal Mine, Chhattisgarh Received consent to operate at a higher capacity of 1.44 MTPA (previously 1.2 MTPA) in May 2023 and are seeking approvals for further enhancement to 1.66-1.80 MTPA

Shahpur West Coal Mine, Madhya Pradesh Received Consent to Establish (CTE) and EAC has recommended for Environmental Clearance (EC)

Bidding for additional Mining Assets

Awarded MDO contract for Kalyani coal mine in Chhattisgarh by South-Eastern Coalfields Ltd (SECL) on a 4.50% revenue share basis

Subsidiary JV Company of SEML declared as Preferred Bidder for Surjagad 1 unexplored Iron Ore Block in Maharashtra with 126.35% revenue share






Coal Washery

Initiated capacity expansion of Coal Washery from 0.96 MTPA to 1.8 MTPA

STAKEHOLDER ENGAGEMENT

Our Stakeholders and Their Importance

Engaging with stakeholders is of paramount importance as it allows us to cultivate mutually beneficial relationships with individuals and groups who have a vested interest in our operations. By actively involving stakeholders in our decision-making processes, we gain invaluable insights, diverse perspectives and a profound understanding of their needs and expectations. This collaborative approach enables us to align our strategies and actions with the interests of our stakeholders, ultimately fostering sustainable growth and shared success.

Stakeholders	 Government and Regulatory Authorities	 Investors/Shareholders	 Employees
Importance	Government and Regulatory Authorities play a critical role for ensuring compliance, promoting fair practices, protecting other stakeholders, and fostering sustainable economic development.	Investors help us ensure proper deployment of capital and guide us on proper utilisation of funds. By forging a strong investor relationship, we can maintain a loyal shareholder base, enhance long-term shareholder value, lower the cost of capital, and build long-term credibility with them. They also help in enabling our long-term growth and expansion.	The employees are our backbone as they plan a crucial role in meeting the current and future needs of our customers. A collaborative effort between employees and their supervisors provides opportunities for growth and promotes performance-driven culture for delivering the right products and services to customers.
Frequency of Engagement	As and when required	Quarterly/ Annually/as and when required	Intranet – daily / event based emails – as and when required

More details on Stakeholder Engagement has been covered in Principle 4 of BRSR Report, appearing in the later part of the document.



Customers

Customers are important as they are the direct users of our products. Customer feedback is important as it helps us in maintaining brand reputation and steady cash flows. It is critical to ensure customer satisfaction.

Frequent and as and when required



Institutions & Industry Bodies

Institutions & Industry Bodies play a vital role as stakeholders in shaping industries and representing collective interests. Acting as intermediaries between businesses and regulatory authorities, these entities provide a unified voice for their members, advocating for favorable policies, regulations, and market conditions.

As and when required



Communities and Civil Society

Active engagement allows us to identify community and measure impact and outcomes of our CSR interventions. Engagements at grass-root the level have enabled us to forge long-lasting relationship with society in the areas we operate.

Frequent and as and when required



Suppliers

We believe in trust and long-term partnerships with our vendors and suppliers. Our operations are dependent on the timely availability of raw materials and services. These, in turn, have a material impact on the efficiency of the production process.

As and when required

Materiality Impact

Deep understanding of the material issues that impact our performance is a critical function at Sarda. It drives strategic planning and risk management, and as a result, directly impacts our efforts to create sustained value for our key stakeholders.

Our materiality assessment derives from our stakeholder engagement process and is conducted on a regular basis.

We have mapped 12 material topics pertaining to environmental and social matters that can have a positive or negative impact on the working of the Company.

Material Topic	Material issue identified	Topic Head
1	Occupational Health & Safety	Social
2	Energy Consumption	Environment
3	Waste Management	Environment
4	Emission Control	Environment
5	Water & Effluent Management	Environment / Social
6	Responsible Investment	Social
7	Local Considerations	Social
8	Human Capital Development	Social
9	Human Rights	Social
10	Environmental Compliance	Environment / Social
11	Materials	Environment
12	Life cycle Management of Assets	Social

More details on Materiality Analysis has been covered in General Disclosures of BRSR Report, appearing in the later part of the document.



Board of Directors

Our Board of Directors plays a pivotal role as the cornerstone of effective governance practices. It operates with unwavering commitment to ensuring that every aspect of the company's operations is governed with utmost efficiency, integrity, transparency and adherence to the highest standards of corporate governance. By upholding these principles, the Board drives the company forward, instilling trust among stakeholders and enabling sustainable growth in line with industry-leading governance practices.



Kamal Kishore Sarda
CMD

Mechanical Engineer with nearly 47 years of experience in iron and steel, mining and strategic planning. He is responsible for steering SEML towards the path of growth.



Amal Kumar Debnath
Independent Director

B. Tech and 1st Class Mine Manager with nearly 47 years of experience in mining and related matters.



Asit Kumar Basu
Independent Director

BME graduate with 45 years of experience in the field of finance and risk assessment. He is ex-Chief General Manager of IDBI Bank.

Key Governance KPIs

Diversity of Tenure

Duration at Sarda	No of Directors
0-2 years	2
2-5 years	1
5 years and above	6*

* Includes wholetime directors

Diversity of Age

Length of Service	No of Directors	Average Age
30-50 years	2	62
51-60 years	1	
60 years and above	6	



Binoy Sandip Parikh
Independent Director

A qualified Chartered Accountant and Law Graduate with more than 10 years of rich experience in Mergers & Acquisitions and related tax matters

Gender Diversity

Male : Female

8:1



C K Lakshminarayanan
Independent Director

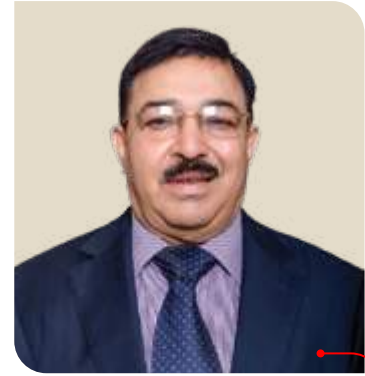
An Engineer with experience of nearly 48 years in finance and power sector.

Retired w.e.f. 1st April, 2023



Jitender Balakrishnan
Independent Director

PGDM in Industrial Management. Nearly 45 years of experience in power, steel, oil & gas, corporate governance and risk assessment.



Rakesh Mehra
Independent Director

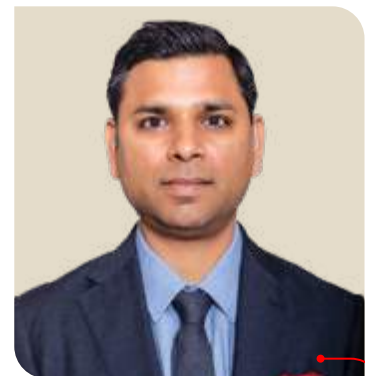
FCWA with over 39 yrs of experience in finance, costing and management accounting. Ex GM, Madhya Pradesh Audhyogik Vikas Nigam.



Tripti Sinha
Independent Director
Ex Managing Director of Chhattisgarh State Power Transmission Company Limited. Experience of nearly 43 years in power sector.



Padam Kumar Jain
Wholetime Director & CFO
CA, CS with a rich experience of 37 years in the field of accounting, finance, taxation, costing, budgeting and corporate laws.

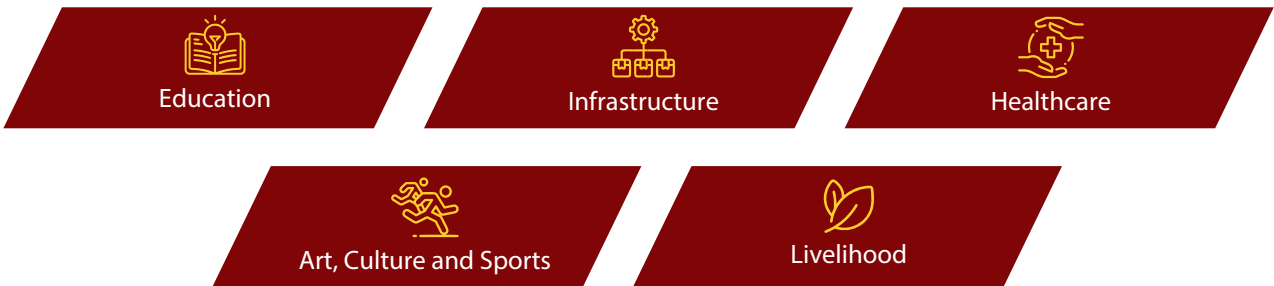


Pankaj Sarma
Jt. Managing Director
MS in Industrial Administration from Purdue University, USA, with industry experience of nearly 20 years.

Corporate Social Responsibilities

We remain dedicated towards creating a meaningful and enduring contribution to our communities by actively listening and responding to their needs and priorities.

Our Focus Areas



Education: Promoting Quality Education In The Community

Key highlights

- Donated 22-Seater Bus to Army Officials’ Children at Leh
- Deployed teachers for quality education
- Conducted Road Safety Awareness Training in Schools
- Supported schools in the form of computers, infrastructure, school building and books/stationery items
- Provided financial support for 25 EWS Students and rewards to Meritorious students of 10th & 12th
- Supported 50 Ekal Vidyalaya’s for education development of tribal students
- Created one Model Anganbadi in Siltara Village



Infrastructure: Developing Community Assets

Key highlights

- Undertook deepening of pond in villages; constructed culvert in surrounding villages
- permanent arrangement for drinking water at Siltara Primary school
- various infrastructure development works in surrounding villages including roads, drainage, common facility centre, school buildings, health centre, etc.
- Constructed garbage pit in Siltara village under clean village



Healthcare: Promoting Preventive & Curative Healthcare Services

Key highlights

- Provided financial support of ₹2 crore to Udyanchal Trust for Eye Hospital
- Operated Mobile Medical Vans for free treatment and medication of downtrodden in remote areas - benefitting 10,000 patients
- Dedicated team of doctors and support staff for Community Care
- Conducted Training on Institutional delivery to the pregnant women and creation of Model Anganbadi
- Created awareness on Green Village & Clean Village
- Conducted Community Eye Health Check Up Camps in 7 villages
- Created awareness on Malnourishment in children

Livelihood: Promoting Environmental & Economic Sustainability

Key highlights

- Maha Vrikshropan Abhiyan – 10,000 saplings planted and supported Krishna Kunj Yojana in Surajpur
- Supplied potable water in Siltara, Mandhar & Mines area villages
- Livelihood development initiative for physically challenged
- Livelihood promotion through cattle distribution
- Conducted sewing training for the Women SHGs
- Conducted mushroom cultivation training in 10 villages, covered 60 SHGs
- Conducted training on SRI Method of rice cultivation in Akoli Village



Art, Culture and Sport: Sports & Cultural Development

Key highlights

- Conducted training with CBWE on Women Empowerment
- Supported local cultural programs
- Donated for Poor Girls Mass marriage - 11 of them physically challenged couples

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. Amal Kumar Debnath*	} Independent Directors
Mr. A.K. Basu	
Mr. Binoy Sandip Parikh*	
Mr. C.K. Lakshminarayanan®	
Mr. Jitender Balakrishnan	
Mr. Rakesh Mehra	

Ms. Tripti Sinha

* w.e.f. 01.08.2023
@ upto 31.03.2023

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
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
YES Bank Limited

Registered Office

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

Works

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

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

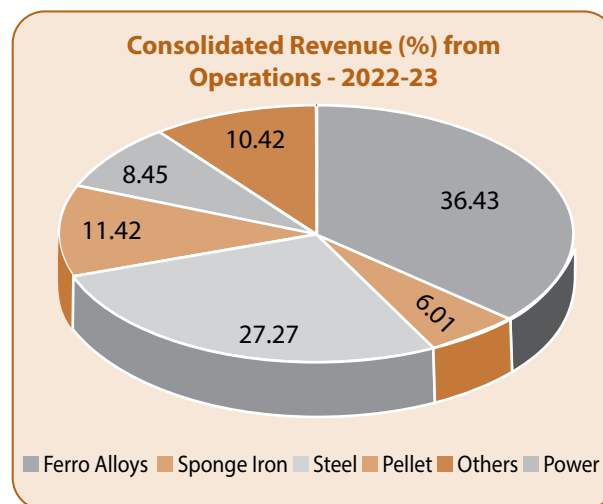
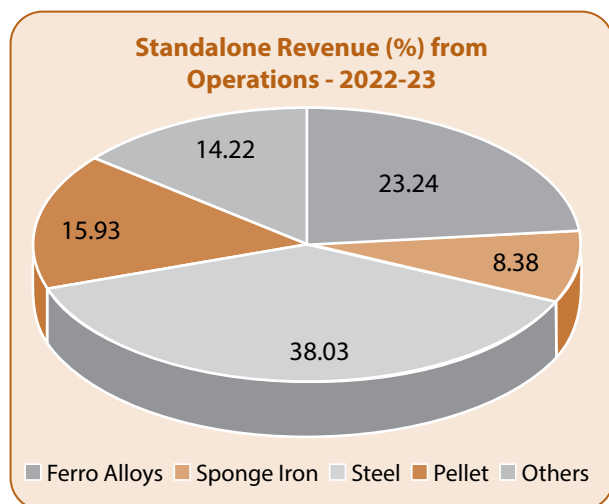
Dear Shareholders,

The Board of Directors take pleasure in presenting the 50th Annual Report on business and operations of the Company for the financial year ended 31st March 2023. Your Company has completed 50 years of its successful journey this year.

Results of Operations

(₹ in crore)

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	3,020	2,642	4,212	3,914
Exports	214	122	987	1,002
Other Income	87	75	49	50
EBIDTA	929	953	1,109	1,406
Depreciation	66	54	178	143
Finance cost	16	22	124	147
Profit before tax	847	877	807	1,116
Exceptional Item	-	-	-	8
Provision for tax	209	217	202	300
Net Profit	638	660	605	808



Review of Performance

During the year, all the plants of the Company except sponge iron plant namely – pellet, Steel Billet, wire rod, HB wire, power and ferro alloys plant - achieved record production. Continuous modernization of plants and team spirit helped in achieving record operational performance. Sponge iron production was lower than previous year because of use of captive coal on commercial consideration.

During the year, major improvements in the plants included commissioning of 4 producer gas plant in pellet plant which helped in increasing the average daily production and campaign life. The Company also carried our modification in sponge iron plant as a result of which WHRB steam generation has increased from 88 TPH to 103 TPH resulting in availability of additional power. Better production/maintenance plan, focus on cost reduction and value-added product also contributed to improved performance. The performance includes effect of the 1st full year operations of the coal mine of the Company at Raigarh and 113 MW Hydropower Project in Sikkim.

Improved performance, full year operation of coal mine and better market conditions for coal helped in achieving record turnover and better profitability.

Directors' Report

Successful bid for acquisition of SKS Power Generation (Chhattisgarh) Limited

Your Company has been declared as successful Resolution Applicant for acquisition of SKS Power Generation (Chhattisgarh) Limited which is having 600 MW Thermal power plant near to our coal mine. National Company Law Tribunal has heard the petition for approval of the Resolution plan and has reserved for order. Your directors believe that this acquisition will help the Company in achieving newer heights in the years to come.

There are no 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.

Change in Capital Structure / Buyback of shares

During 2022-23, the Company has bought back 811108 equity shares @ ₹1,500/- per share resulting in an outflow of ₹ 121.67 crore in addition to expenses related to buyback and tax of ₹28.20 crore thereon. 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%.

The members have also approved split of equity shares of face value of ₹10 (Ten) each to face value of ₹1 (one) for which record date of 4th August 2023 is fixed.

Dividend

To commemorate the 50th anniversary of the Company, the Board in its meeting held on 27th May 2023, has recommended a highest ever dividend of 150% (75% normal dividend and 75% Special dividend). The said dividend has been proposed to be paid post split of shares. The dividend recommended is subject to deduction of tax at applicable rate in applicable cases. The dividend payout shall result in cash outflow of ₹ 52.86 crore. Last year the Company had paid dividend @ 75%.

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 at <https://seml.co.in/Corporate%20Governance/SEML%20-%20Dividend%20Distribution%20Policy.pdf>

Further, during the year, the Company has transferred the unpaid dividend amount of ₹9.01 lakh in respect of the F.Y. 2014-15 to the Investor Education and Protection Fund. During the current year 2023-24, the Company has further transferred unpaid dividend of ₹7.52 lakh in respect of F.Y. 2015-16 to the Investor Education and Protection Fund. During the year 2022-23, 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 2022-23 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 diluted its holding in Natural Resources Energy Private Limited and has converted it into a Subsidiary Joint Venture with 51% holding to jointly bid for iron ore and other mines. During the year, there was slight increase in investments in Chhattisgarh Hydro Power LLP and Shriram Electricity LLP.

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 ₹1.10 crore as against profit of ₹ 4.87 crore in the previous year.
- **Sarda Global Venture Pte. Limited, Singapore (SGV)**, a wholly owned subsidiary, is having JV with PT Unggul Jaya Indonesia, an Indorama group company, for coal mining in Indonesia under the name P.T. Tigadaya Minergy (PT TDM). During the year under review, the mining company in Indonesia has acquired 165 hectare land and is in the process of transferring land in the name of PT TDM. The coal extraction is expected from July-2023.

Directors' Report

The subsidiary reported a net loss of ₹ 10.56 crore as against net loss of ₹11.87 crore in the previous year. The loss consists mainly of impairment loss of investment in coal Mines ₹5.35 crore and share of loss in associates ₹5.13 crore.

- **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 ₹1.43 crore as against net loss of ₹8.75 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 and 1 x 36 MVA Ferro Alloys Furnaces backed by 80 MW captive thermal power plant. The Company is a leading manufacturer and exporter of Ferro Alloys enjoying Three Star Export House Status.

During the year, the company had successfully completed the installation of 3rd Furnace of 36 MVA under the expansion project at its existing facility at Vizianagaram. The plant has started production w.e.f. 22nd December, 2022. During the year, power generation was 452.71 MUs as compared to 462.50 MUs in the previous year. The ferro alloys production stood at 79,185 MTs as against 85,705 MTs in the previous year. Power generation and ferro alloys production both were down due to shutdown of power plant for major overhauling of power plant after 9 years of its commissioning. Shutdown, falling prices of ferro alloys, high coal prices and inventory losses affected financial performance badly. As a fallout of above the company reported a net loss of ₹19.13 crore as against Net Profit of ₹146.97 crore in previous year.

During the FY 2022-23, the company exported 76,242 MTs (including trading export of 3,476 MTs) ferro alloys valued ₹772.19 crore (including trading export of ₹51.16 Crore) against 80,896 MTs (including trading export of 3,118 MTs) in the previous year valued ₹880.59 crore (including trading export of ₹43.95 Crore).

With the operationalization of Furnace 3, the power plant is being run at near full capacity which has enabled the company to utilize its idle power capacity and optimize the overall cost.

- **Sarda Energy Limited (SEL)**, a wholly owned subsidiary earned a net profit of ₹5.43 crore as against net profit of ₹7.69 crore in the previous year. The profit was mainly from share of profit from investment in Chhattisgarh Hydro Power LLP (Wholly owned subsidiary).
- **Kalyani Coal Mining Private Limited (KCMPL)**, a wholly owned subsidiary has been incorporated in current year 2023-24 as a Special Purpose Vehicle for carrying out the Re-opening, Salvaging, Rehabilitation, Development and Operation of Kalyani Underground Mines, in the state of Chhattisgarh. Your Company was declared successful bidder for operation of the coal mine on revenue sharing basis. 4.5% of the revenue net of taxes shall be retained by South Eastern Coal Fields Limited. The company is yet to start its activities.
- **Natural Resources Energy Private Limited (NREPL)** has been converted into Subsidiary Joint Venture during the year with company holding 51% stake. The company has not carried out any business during the year under review. In the current year 2023-24, the company has been declared as the preferred bidder by Directorate of Geology and Mining, Government of Maharashtra for Surjagad 1 Iron Ore Block in the state of Maharashtra in the recent auction held for commercial iron ore blocks with 126.35% revenue share. The company is taking / shall take steps as per the instructions received / to be received from the Directorate of Geology and Mining, Government of Maharashtra.
- **Chhattisgarh Hydro Power LLP (CHPLLP)** is operating 24 MW Gullu Small Hydro Electric Project (SHP) and 24.9 MW Rehar SHP is under construction which is expected to be completed before end of next financial year. CHPLLP is committed to utilize the natural flow of rivers in the north eastern part of Chhattisgarh to develop eco-friendly- hydro power projects which will supply renewable energy to the grid and significantly contribute to the socio-economic development of this remote region. Other two projects are under different stage of clearances.
During the FY 2022-23, due to poor rainfall in the catchment area the Gullu SHP has generated and supplied 79 MU units (PY 105 MU units) and has earned post tax profit of ₹24.74 crore (PY ₹33.43 crore).
Your Company has 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. It is planned to increase the capacity of the plant from 4.8 MW to 7.00 MW. The Government

Directors' Report

of Uttarakhand has granted permission for capacity enhancement of the Plant during the year under review. Process of other approvals is going on.

The Company has supplied 22.12 MU power in the FY 2022-23 (Previous Year 25.66 MU) to the state grid. During the year 2022-23, the Company has earned post tax profit of ₹2.92 crore (Previous Year ₹3.89 crore). The plant has generated employment opportunities and promoted tourism in the remote area.

Your Company continues to hold 51% stake in PPL.

- **Madhya Bharat Power Corporation Limited (MBPCL)** is successfully operating 113 MW Rongnichu HEP in Sikkim since last two years. The company has firm selling arrangement for sale of power under 35 years long term PPA with the Chhattisgarh DISCOM. The company enjoys A+/Stable rating from India Ratings & Research and A-/Stable from CARE Ratings.

The company has billed 393.22 MU (PY 286.04 MU) of power in the F.Y 2022-23 and reported ₹251.76 crore (PY ₹ 194.18 crore) as revenue from operations. Based on provisional tariff, it has earned post tax profit of ₹ 4.49 crore. The determination of final tariff is in process.

The Company holds 84.65% stake in the company (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. Survey works for 24.90 MW Kotaiveera SHP is under progress. The project is likely to enter construction phase in the next financial year.

The Company holds 60% stake in the LLP.

Hydro power and other renewable power will remain one of the focus areas of your company and we will continue to explore opportunities in the field of renewable energy.

- **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 SRE LLP. The firm will be dissolved once coal allocation related matters are closed.

Joint Ventures

- **Raipur Infrastructure Company Limited (RICL)** was operating a leased Railway Siding in Mandhar, Raipur. The lease has expired. The company will be wound-up after closure of pending proceedings and getting refunds from Railways and the tax authorities. The Company holds one third share in the Joint Venture. During the year 2022-23 the company had achieved total comprehensive income of ₹0.53 crore as against income of ₹3.68 crore in the previous year. The comprehensive income was mainly on account of change in fair value of investments.

- **Madanpur South Coal Company Limited (MSCCL)**, an SPV, was allotted Madanpur South Coal Block in consortium. The Supreme Court had cancelled all coal block allotments. Consequent to cancellation of coal block, there is no business left out in the company and no other activity has been planned in the Company.

During the year 2022-23, MSCCL reported comprehensive income of ₹20.96 crore as against ₹0.16 crore in the previous year. The Income is mainly on account of Compensation received from WRD Department, Government of Chhattisgarh on acquisition of 126.417 Hectares of Land.

MSCCL was holding land at Village Jaspur, Distt. Raigarh comprising of area of about 196.923 Hectares, out of which most of the land fell under the catchment area of Mahanadi River. The Government, has acquired 126.417 Hectares of Land and for which the Compensation was received by the Company. At present the Company is having balance land of about 71.220 Hectares in village Jashpur and it is expected that, WRD Department, Government of Chhattisgarh, will acquire some more land.

MSCCL would be wound-up after disposal of these assets. The Company holds 20.13% in MSCCL.

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 policies under the Investors' section.

Directors' Report

Consolidated financial statements

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

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

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Padam Kumar Jain, Wholetime Director & Chief Financial Officer 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 29th July 2023, subject to the approval of the members of the Company, have appointed Mr. Amal Kumar Debnath (DIN : 02467548) and Mr. Binoy Sandip Parikh (DIN: 10060552) as Independent Directors for first term of 5 years w.e.f. 1st August 2023.

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

During the year under review, the members approved the re-appointment of Mr. Pankaj Sarda, as Director liable to retire by rotation. The members also approved his re-appointment as Wholetime Director (designated as Jt. Managing Director) for a period five years w.e.f. 1st November 2022.

The Company has received the necessary declaration from 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.

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, 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' Responsibility Statement

The directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March 2023, 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 2023 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

Directors' Report

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 2021-22 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 plus applicable taxes and out of pocket expenses for the year 2023-24.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors for 2023-24 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 2022-23. The Secretarial Audit Report for the financial year ended 31st March 2023 is annexed herewith marked as **Annexure D** to this 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 2023, 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'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. In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Securities and Exchange Board of India ('SEBI'), in May 2021, introduced new sustainability related reporting requirements to be reported in the specific format of Business Responsibility and Sustainability Report ('BRSR'). Further, SEBI has mandated top 1,000 listed companies, based on market capitalization, to transit from Business Responsibility Report to BRSR from FY 2022-23 onwards. Accordingly, we present our first BRSR for 2022-23.

Directors' Report

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. 3, 4(a), 7, 11(a), 39, 55 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.

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 of Audit Committee is obtained for related party transactions.

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 2022-23 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 2023 is available at https://seml.co.in/Corporate%20Governance/Annual_Return_2022_23.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.

Directors' Report

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.

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 2022-23 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

With the support of the stakeholders, the Company has successfully completed 50 years. The Directors thank the customers, vendors, dealers, investors, business associates and bankers for their continued support in this journey. The Directors place on record the appreciation of the contribution made by employees at all levels. The directors place on record their gratitude for the valuable guidance and support received from various Government departments, and other regulatory authorities and agencies and look forward to their continued support in future.

On behalf of the Board of Directors

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

Raipur

29th July, 2023

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.

Annexure 'B' to the Directors' Report

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

e. Leave

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

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.

Annexure 'B' to the Directors' Report

3. Remuneration to Non- Executive / Independent Director

a. Remuneration / Commission

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

b. Sitting Fees

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

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

c. Stock Options

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

d. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as remuneration, if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

4. Remuneration to Key Managerial Personnel and Senior Management

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

5. Other Employees

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

V. Remuneration Duties

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

1. considering and determining the remuneration based on such other factors as the Committee shall deem appropriate bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate talent.

Annexure 'B' to the Directors' Report

2. approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
3. professional indemnity and liability insurance for Directors and senior management.

VI. Implementation

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

VII. Policy Review

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

VIII. Dissemination

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

Annexure 'C' to the Directors' Report

CRITERIA for determining Qualifications, Positive Attributes, and Independence of a Director

Qualifications

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

Positive attributes

- i) compliance with duties as provided in the Companies Act, 2013.
- ii) possessing highest standards of ethical and moral qualities, strong interpersonal and communication skills and soundness of judgement 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 judgement.
- 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 2023

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2022-23

[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, 2023 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, 2023 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 Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - e) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - f) Securities and Exchange Board of India (Depositories and Participant) Regulation 2018;
- (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) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- b) 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) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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. Further, there were no changes in the composition of the Board of Directors during the year under review.

We further report that adequate notice is given to all the directors of the Board Meetings/ Committee meetings, agenda along with detailed notes thereon were sent as per the provisions of the Act to all the Directors, and a system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting 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 bought back 8,11,108 Nos. of equity shares on 27th June, 2022 from the existing shareholders of the Company. Except the 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: F010807E000702751

Raipur

29th July, 2023

Annexure 'D' to the Directors' Report

Annexure-A

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: F010807E000702751

Raipur
29th July, 2023

Annexure 'E' to the Directors' Report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended 31st March, 2023

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2022-23

[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, 2023 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, 2023 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. 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 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

Annexure 'E' to the Directors' Report

guidelines.

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

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

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

Company Secretaries

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No. : 14660

UDIN: F010807E000697306

Raipur
24th July, 2023

'ANNEXURE-A'

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

Sd/-

(CS KAMLESH OJHA)

Partner

FCS No.: 10807

CP No. : 14660

UDIN: F010807E000697306

Raipur
24th July, 2023

Annexure 'F' to the Directors' Report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended 31st March, 2023

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2022-23

[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, 2023 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, 2023 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, 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 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.

Annexure 'F' 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

Sd/-
(CS KAMLESH OJHA)
Partner
FCS No.: 10807
CP No. : 14660
UDIN: F010807E000657893

Raipur
21st July, 2023

ANNEXURE-A'

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 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 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: F010807E000657893

Raipur
21st July, 2023

Annexure 'G' to the Directors' Report

Annual Report on CSR Activities

1. Brief outline on CSR Policy of the Company : CSR Policy of SEML shall ensure that all developmental activities/ initiatives undertaken are accessible to the most deserving segments such as children, women, elderly and those with disabilities. This would reflect particularly in the field of education, healthcare, sanitation, community welfare, skill development, infrastructure development, rural development, etc.

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society. SEML adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact.

The main objective of CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development for the society. It aims at supplementing the program of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. The focus areas under SEML CSR policy are Education, healthcare, sports, art & culture, rural development programmes, social business projects, etc.

2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rakesh Mehra	Independent Director	2	2
2	Mr. K.K. Sarda	Chairman & Managing Director	2	2
3	Ms. Tripti Sinha	Independent Director	2	2

3. Web-link on the website of the Company for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed.
- CSR Committee:
<https://www.seml.co.in/Corporate20%Governance/Board20%Committes.pdf>
- CSR Policy:
<https://www.seml.co.in/Corporate20%Governance/SEMLCSRPolicy.pdf>
- CSR Report:
<https://www.seml.co.in/Corporate20%Governance/SEML20%CSR20%March202023%.pdf>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Annexure 'G' to the Directors' Report

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	2019-20	NIL	NIL
2	2020-21	NIL	NIL
3	2021-22	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the Company as per section 135(5) : ₹473.63 crore

7. a. Two percent of average net profit of the Company as per section 135(5) : ₹947.27 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) : ₹947.27 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 Unspent 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
949.50	NIL	N.A.	N.A.	NIL	N.A.

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. No.	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 Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Regist. No.
NOT APPLICABLE												

Annexure 'G' to the Directors' Report

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (₹lakh)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation Through implementing agency.	
				State	District			Name.	CSR registration number
1.	Art & Culture	Clause v	No	Various	Various	15.43	Yes	--	--
2.	Education	Clause ii	Yes	Chhattisgarh	Various	11.00	No	Friends of Tribal Society	CSR0001898
3.	Education	Clause ii	Yes	Chhattisgarh	Raipur	245.00	No	Shri Ram Kishore Sarda Seva Trust	CSR00011028
4.	Education	Clause ii	Yes	Chhattisgarh	Raipur	77.67	Yes	--	--
5.	Environment sustainability	Clause iv	Yes	Chhattisgarh	Raipur	5.00	No	Akhil Bharatvarshiya Sadhumargi Sant Kranti Jain Sharavak Sangh	CSR00022904
6.	Environment sustainability	Clause iv	Yes	Chhattisgarh	Raipur	13.30	Yes	--	--
7.	Armed forces veterans	Clause vi	Yes	Chhattisgarh	Raipur	1.10	Yes	--	--
8.	Healthcare	Clause i	No	Chhattisgarh	Rajnandgaon	200.00	No	Udayachal	CSR00032583
9.	Healthcare	Clause i	Yes	Chhattisgarh	Raipur	50.00	No	CG Vipshyana	CSR00025854
10.	Healthcare	Clause i	Yes	Chhattisgarh	Various	33.16	Yes	--	--
11.	Livelihood	Clause ii	Yes	Chhattisgarh	Various	68.25	Yes	--	--
12.	Rural Development	Clause x	Yes	Chhattisgarh	Raipur	191.59	Yes	--	--
13.	Social Projects	Clause iii	Yes	Chhattisgarh	Durg/Bhilai	1.00	No	Feel Parmartham	CSR00025620
14.	Social Projects	Clause iii	Yes	Chhattisgarh	Bilaspur	1.10	No	Akhil Bhartiya Viklang Chetna Parisad	CSR00043874
15.	Social Projects	Clause i	Yes	Chhattisgarh	Various	3.71	Yes	--	--
16.	Sports	Clause vii	Yes	Chhattisgarh	Raipur	1.57	Yes	--	--
	TOTAL					918.88			

d. Amount spent in Administrative Overheads : ₹30.62 lakh

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

f. Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹949.50 lakh

g. Excess amount for set off, if any

Annexure 'G' to the Directors' Report

Sl. No.	Particular	Amount (in ₹ lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	947.27
(ii)	Total amount spent for the Financial Year	949.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.23
(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)]	2.23

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.	2019-20	NOT APPLICABLE					
2.	2020-21	NOT APPLICABLE					
3.	2021-22	NOT APPLICABLE					
	TOTAL						

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.	NOT APPLICABLE							
2.	NOT APPLICABLE							
3.	NOT APPLICABLE							
	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)

a. Date of creation or acquisition of the capital asset(s) :	NOT APPLICABLE
b. Amount of CSR spent for creation or acquisition of capital asset :	NOT APPLICABLE

Annexure 'G' to the Directors' Report

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

Sd/-

Kamal Kishore Sarda
(Chairman & Managing Director)

Sd/-

Rakesh Mehra
(Chairman CSR Committee)

Annexure 'H' to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to the Companies (Accounts) Rules, 2014]

A. Conservation of energy

i)	Steps taken or impact on conservation of energy.	Pellet Plant	
		i)	ESP major maintenance done and arrested all false air entry points. Total energy saved 1,56,000 units.98 Kwh.
		ii)	HPSV lights are replaced with LED in Railway siding & Crusher Plant area. Total energy saved 47,376 units.
		Sponge Iron Plant	
		i)	Energy saving through enhancement of high mast tower at SID 500 PSB, 500 TPD coal shed high bay & 500 TPD RMHS, 100 Highbay. Total energy saved – 89,783 Kwh.
		ii)	Energy saving through enhancement of Kiln-C SAF Air delivery system in SID. Total energy saved – 29,974 Kwh.
		iii)	Energy saving through replacement of K-B main drive DC to AC. Total energy saved 3621 in FY-23.
		Power Plant	
		i)	4 Nos of BTDJM compressor replaced with energy efficient Screw compressor. Tentative energy saving – 4,50,000 kwh/Year.
ii)	The steps taken by the Company for utilizing alternate sources of energy.	---	
iii)	The capital investment on energy conservation equipment.	₹ 83.30 lakh	

B. Technology absorption

i)	The efforts made towards technology absorption	Sponge Iron Plant	
		i)	Replacement of Kiln-B main drive from DC to AC drive for better plant availability and reduce maintenance cost.
		ii)	Enhancement of Iron Ore old weigh-feeders F101 in 100 TPD Kiln-A.
		iii)	APFC provided at kiln-c & Inhouse APFC provided at 100TPD kiln & 500 RMHS for better power factor.
		Billet Plant	
		i)	Installation of hydraulic poker machine at D-furnace to improve Scrap charging method as well as it helps to clear slag jamming situation during melting.
		Wire Rod	
		i)	Earlier we were using SG iron roll with Hardness (Shore "C") 45-50. To improve the roll efficiency, we increase the Hardness (Shore "C") from 40-50 to 48-53. As a result, rolling capacity of the roll has been increased up to 12000 MT, which was earlier 8000-9000 MT.
		Ferro Alloys Plant	
		i)	Capacity of the capacitor bank enhanced from 4 MVAR to 8 MVAR to improve the power factor.

Annexure 'H' to the Directors' Report

ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Pellet Plant	
		i)	Larox filter hydraulic power pack control block assembly (Qty. – 3 nos) replaced by Indigenous supplier developed M/s Action hydraulics instead of OEM make M/s Outotec. Cost saved up to ₹20.00 lakhs.
		i)	Multi cyclone no 1 & 2 spares developed by Indigenous supplier M/s Tirupati Ancillaries instead of OEM M/s Jiansu Hongda China. Cost saved up to ₹75.93 lakhs.
		iii)	Bucket elevator assembly developed by Indigenous supplier M/s Tirupati Ancillaries instead of OEM M/s Jiansu Hongda China.
		Ferro Alloys Plant	
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).	i)	Instllation of new jigging plant at FAD for the recovery of the FeMn & Other premium grade materials from the malma. So that quantity of malma can be exhausted quickly as well as recovery of metal will be speed up for better realisation.
		ii)	Operation of the Ferro Manganese in a Furnace over a longer period (More than 1 year) and it is continued by close monitoring of the Furnace. So that generation of intermediate product and inferior product during product change over period will be minimized.
			--
		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

Total foreign exchange earnings and outgo
(₹ in crore)

a) Foreign exchange earnings	: 205.11
b) Foreign exchange outgo	: 326.11

On behalf of the Board of Directors

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

Raipur
29th July, 2023

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	844.22	Contractual	B.E. (Mech.)	47 Years	16.12.1978	71 Years	---	Mr. Pankaj Sarda
Mr. Pankaj Sarda	Jt. Managing Director	594.38	Contractual	BE(Ind. Engg.), MS(A)	20 Years	01.04.2003	44 Years	---	Mr. K. K. Sarda
Mr. Padam Kumar Jain	WTD & CFO	166.82	Permanent	CA, CS, B. Com	37 Years	12.04.1997	60 Years	Somaliya Organo Chem. Limited	---
Mr. Sanjeev Agrawal	Plant Head	56.02	Permanent	B.E. (Mech.)	34 Years	27.08.2007	59 Years	Torrent Power	---
Mr. Nilay Joshi	Head - Corporate Finance	49.39	Permanent	MBA Finance	18 Years	11.03.2019	43 Years	RBL Bank Limited	---
Mr. Manoj Shah	Head - CMO	44.00	Permanent	BE	29 Years	20.07.1994	52 Years	---	---
Mr. Manish Chandra Mishra	Head - Marketing	38.06	Permanent	PG Diploma (Finance & Marketing), BE(Mining)	33.5 years	27.04.2009	56 Years	---	---
Mr. Ajay Singhal	Head - Finance & Accounts	38.03	Permanent	CA, B.Com	27 Years	15.10.2004	54 Years	GCMMF Limited (Amul)	---
Mr. Shiv Shankar Shrivastava	Vice-President (Coal Mines)	37.26	Permanent	MBA (Project Management), AMIE (Mining), Diploma Engineering (Mining), B.Sc. (Maths)	33 years	01.04.2021	57 Years	Ambuja Cements Limited	---
Mr. Sanjay Dwivedi	Head - Sponge Iron	34.81	Permanent	BE (Metallurgy)	29 years	06.10.2008	52 Years	Sree Metaliks Limited	---

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 'I' to the Directors' Report

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	Jt. Managing Director	Wholetime Director & Chief Financial Officer
Remuneration received	₹ 844.22 lakh	₹594.38 lakh	₹166.82 lakh
Nature of employment, whether contractual or otherwise	Contractual	Contractual	Permanent
Qualification and experience	B.E. (Mech.) Nearly 47 years of Industrial experience	BE (Ind. Engg.), MS (IA) Nearly 20 years of Industrial experience	CA. C.S., B.Com Nearly 37 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	71 years	44 years	60 years
Last employment held	---	---	Somaiya Organo Chem. Limited
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 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23:

S. No.	Name of Director / KMP	Remuneration of Director/ KMP for F.Y. 2022-23 (₹ in lakh)	% increase in Remuneration in the F.Y. 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. K.K. Sarda	844.22	(1.42)	205.64
2	Mr. Pankaj Sarda	594.38	1.25	144.79
3	Mr. P.K. Jain – CFO & WTD	166.82	16.89	40.64
4	Mr. A.K. Basu	13.70	--	3.34
5	Mr. C.K. Lakshminarayanan	11.90	1.71	2.90
6	Mr. J. Balakrishnan	11.60	1.75	2.83
7	Mr. Rakesh Mehra	11.80	--	2.87
8	Ms. Tripti Sinha	11.60	36.47	2.83
9	Mr. Manish Sethi (CS)	23.00	32.34	N.A.

- ii) The median remuneration of employees of the Company during 2022-23 was ₹4.11 lakh.
- iii) In 2022-23, there was change of ₹0.60 lakh in the median remuneration of employees.
- iv) There were 1,417 permanent employees on the rolls of Company as on 31st March, 2023.
- v) Average % increase in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2022-23 was 16.76% as against 9.87% in the previous year. There was an increase of 1.55% in managerial remuneration for the same period.
- vi) The increase in remuneration of directors is in line with the performance of the Company.
- 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

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

Raipur
29th July, 2023

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 2022-23. This should be read in conjunction with the Company's financial statements 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

Prospects for a robust global economic recovery remain dim amid stubborn inflation, rising interest rates and heightened uncertainties. The world economy faces the risk of a prolonged period of low growth due to the lingering effects of the COVID-19 pandemic, the ever-worsening impact of climate change and unaddressed macroeconomic structural challenges. The overlapping shocks of the pandemic, the Russian invasion of Ukraine, and the sharp slowdown amid tight global financial conditions have dealt an enduring setback to development.

Global real GDP is forecasted to grow by 2.6% in 2023, down from 3.3% in 2022. Most of the weakness is concentrated in Europe, Latin America, and the US. Asian economies are expected to drive most of global growth in 2023, as they benefit from ongoing reopening dynamics and less intense inflationary pressures compared to other regions. The banking sector turmoil in the United States and Europe has added new uncertainties and challenges for monetary policy. Although swift and decisive actions by regulators helped contain financial stability risks, vulnerabilities in the global financial architecture and the measures taken to contain them will likely dampen credit and investment growth going forward.

Weak spots in the global economy include housing, bank lending and the industrial sector. However, this is more than offset by strength in other sectors, most notably in service-sector activities and visible in labour markets.

Indian Economy

The Indian economy appears to have moved on leaving behind the challenges posed by the pandemic, staging a full recovery, ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in F.Y. 2023-24. India's economic growth in F.Y. 2022-23 has been principally led by private consumption and capital formation which led to employment generation. As a result, India, is now the third-largest economy in the world in Purchasing Power Parity (PPP) terms and the fifth-largest in market exchange rates. This has reinforced the country's belief in its economic resilience as it has withstood the internal and external challenges.

In the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, managed the retail inflation. However, the challenge of the depreciating rupee, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the Current Account Deficit may also continue as exports remain suppressed on account of slowing world growth and trade shrinks the global market size and the growth momentum of the Indian economy remains strong.

Iron and Steel

The steel industry has emerged as a major focus area given the dependence of a diverse range of sectors on its output as India works to become a manufacturing powerhouse through policy initiatives like Make in India. In the past 10-12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely organic.

In 2022-23, the production of crude steel and finished steel stood at 126.26 MT and 122.28 MT, respectively. The consumption of finished steel stood at 119.86 MT in 2022-23. India's steel exports slumped to a five-year low in 22-23, as slowing global demand and an export tax hampered shipment. India shipped 6.7 million tonnes of finished steel in 2022-23, a decline of 50.2% year on year and the lowest since 2018-19. Meanwhile, India's imports touched a four-year high at 6 million tonnes, a growth of 29% on the year and the highest since 2019-20.

The Indian steel industry's performance in 2022-23 is the bright spot in a gloomy world scenario spurred by inflation, looming recession, and the energy crisis in Europe. The country is currently the world's second-largest producer of crude steel, with an output of 126.26 million tonnes. The World Steel Association (WSA) has also projected the sector's growth in India at 6.7% for 2023-24.

Management Discussion and Analysis

Apart from government initiatives, what bodes well for growth in FY23 are the strong linkages between the steel industries with other sectors, especially infrastructure. The large demand in India for steel is largely linked to revival of numerous government projects associated with roads, railways, water, and sanitation which got stalled due to the pandemic as well as revival in the auto sector.

As per report of NITI Aayog, by 2030, India will become the world's production centre for green steel and pave the way for the worldwide adoption of green steel. Technologies like DRI or sponge iron and gas turbine generators are replacing old methods like an integrated blast furnace/basic oxygen furnace or an electric arc furnace that used coal to make steel. With an emphasis on the fourth industrial revolution, the steel industry would be increasingly using artificial intelligence (AI), Industrial IoT, AR/VR, and machine learning, among others, into everyday practices of smart manufacturing.

These development and practices, along with government policies and initiatives like Public Private Partnership (PPP) model and National Steel Policy, will help the country increase crude steel production capacity from 154 million tonnes per annum (MTPA) to 300 MTPA by 2030 making India self-reliant in steel.

Iron Ore/Pellet

India has the fifth-highest reserves of iron ore in the world. Majority (over 85%) of iron ore reserves are of medium to high-grade and are directly used in blast furnace and direct reduced iron (DRI) plants in the form of sized lumps or sinters or pellets. India ranks fourth globally in terms of iron ore production. India's production of iron ore in 2022-23 stood at 255 million tonnes. Almost all (98%) iron ore is used in steelmaking. To meet the growing demand for steel products, world iron ore production has increased dramatically over the last decade. Earlier, lump ores were the principal source of iron in the manufacturing process. However, due to extensive mining, high-grade lump ore reserves have been rapidly diminishing over time and many new iron ore deposits of lower grade and more complicated mineralogy are being mined.

Iron ore extraction in India yields lumps and fines in the ratio of 2:3 — 60% of the ore generation is in the form of iron ore fines. For efficient utilization of ore produced, it is imperative to consume the iron ore fines. In order to consume lower grade ore for steel making, beneficiation of ore is required. Beneficiation efficiently removes silica, alumina, clay, and other contaminants from feed material to increase the Fe value in the final ore allowing for a more efficient steel production process. Silica requires very high temperatures in the kiln, therefore, increases energy costs when it is present in the feed to the kilns.

The iron and steel industry is concerned about the restricted availability of high-grade lump ore, as it is becoming increasingly difficult to source adequate lump ore for direct use in blast furnaces. Furthermore, the sintering process, which is utilized when lump ore is used, produces more pollution than the pelletizing process, so major steel companies prefer to use iron ore pellets as blast furnace feed over lump ore. As a result of these reasons, the demand for iron ore pellets is expanding. Global Iron Ore Pellets Market was valued at USD 62.75 billion in 2021 and is expected to reach USD 85.22 billion by 2029, registering a CAGR of 3.90% during the forecast period of 2022-2029.

The near-term outlook is subdued global iron ore demand. A weaker economic outlook and rising interest rates indicate declining steel consumption over the next few quarters. This will be partly offset by Chinese stimulus to fund stalled construction projects.

The Company has ensured uninterrupted supply of iron ore through its fully operational captive iron ore mine which operated smoothly during the year under review. During the year, the Company received 3.85 lakh million tonnes of iron ore from its mine. The Company also procures iron ore from NMDC, OMC and other private miners to meet balance requirements of ore. The Company has pellet manufacturing capacity of 8 lakh tonnes per annum which operated smoothly during the year.

Coal/ Power

India's overall coal Production has seen a quantum jump to 893.08 MT in FY 2022-23 as compared to 728.72 MT in FY 2018-2019 with a growth of about 22.6%. The priority of the Govt. is to enhance the domestic coal production to reduce the dependence on substitutable coal imports. Ministry of Coal has initiated several measures to ramp up the domestic coal production to achieve self-reliance to meet the demand of all sectors and ensure adequate coal stocks at thermal Power Plants. The exceptional growth in coal production has paved the way for energy security of the Nation. The annual Coal Production target set for the FY 2023- 2024 is 1,012 MT.

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Apart from this, Ministry is proactively involved in promoting sustainable development in conjunction with coal production, by emphasizing on environmental protection, resource conservation, societal welfare and measures to preserve our forests and biodiversity. Ministry of Coal has also formulated a strategy to develop an integrated approach for eliminating road transportation of coal in mines and has taken steps to upgrade mechanized coal transportation and loading system under 'First Mile Connectivity' projects.

The Ministry has formulated an Action Plan for 2023-24 to achieve Aatmanirbhar Bharat by improving production, efficiency, sustainability, and new technologies in the coal sector. To enhance coking coal availability in the country and reduce imports, the Ministry has developed a coking coal strategy. The Ministry is closely monitoring critical railway line projects for coal evacuation in consultation with the Ministry of Railways. It is also undertaking mapping of the Coal sector on National Master Plan (NMP) and utilizing Dashboards on NMP. The Ministry has adopted a Coal Logistics Policy/Plan for effective and eco-friendly coal transport, recognizing the significance of logistics in the coal supply chain.

In the current decade (2020-2029), the Indian electricity sector is likely to witness a major transformation with respect to demand growth, energy mix and market operations. India wants to ensure that everyone has reliable access to sufficient electricity at all times, while also accelerating the clean energy transition by lowering its reliance on fossil fuels and moving toward more environmentally friendly, renewable sources of energy.

The Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects. It also plans to set up 21 new nuclear power reactors with a total installed capacity of 15,700 MW by 2031. The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. Also, by 2029-30, CEA estimates that the share of renewable energy generation would increase from 18% to 44%, while that of thermal energy is expected to reduce from 78% to 52%. The government plans to establish renewable energy capacity of 500 GW by 2030.

At SEML, we have captive thermal power plants to cater to the power requirement. Apart from market purchases, the Company also has an operational coal mine to meet its coal requirements. 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 and thus contributing in controlling environment pollution by generating green energy. Another coal mine of the Company at Shahpur, Madhya Pradesh is under development.

Ferro Alloys

Ferro Alloys Market was valued at USD 139.5 billion in 2022. The ferro alloys industry is projected to grow from USD 147.3 Billion in 2023 to USD 204.2 billion by 2030, exhibiting a compound annual growth rate (CAGR) of 5.60% during the forecast period (2023 - 2030). Growing usage in automobile production and technological advancement are the key market drivers enhancing the market growth. The construction industry is the largest consumer of ferroalloys, accounting for over 35% of the total demand. The automotive industry is the second-largest consumer, accounting for over 25% of the total demand. Other major consumers include the energy and power sector, the machinery sector, and the electronics sector. The Asia-Pacific region is the largest market for ferroalloys, accounting for over 60% of the total demand.

There are several drivers of the global ferroalloy market. One is the increasing use of stainless steel. Stainless steel contains a high proportion of chromium, which is an important ingredient in ferroalloys. As demand for stainless steel increases, so does demand for ferroalloys. Another driver of the global ferroalloy market is the increasing use of aluminium. Aluminium alloys contain a high proportion of manganese, another important ingredient in ferroalloys. As demand for aluminium increases, so does demand for ferroalloys. Yet another driver of the global ferroalloy market is the increasing use of nickel. Nickel alloys contain a high proportion of chromium and manganese, both of which are important ingredients in ferroalloys. As demand for nickel increases, so does demand for ferroalloys.

There are a few key restraints that have been holding back the growth of the global ferroalloy market. Firstly, the high cost of production. Ferroalloy production is energy intensive and requires expensive raw materials. This makes it difficult for manufacturers to compete on price with other metals and alloys. Secondly, the global ferroalloy market is highly fragmented. This fragmentation makes it difficult to achieve economies of scale and achieve cost efficiencies. Finally, environmental regulations are becoming increasingly stringent. The production of ferroalloys generates a lot of pollution and waste. This is making it difficult for manufacturers to operate in some jurisdictions.

The conflict between Russia and Ukraine has had a significant impact on the ferroalloy industry. The main producing

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regions of ferroalloys are located in Eastern Europe, which has been affected by the conflict. This has led to disruptions in production and supply, which has driven up prices. The conflict has also resulted in sanctions being placed on Russia by the EU and the US. These sanctions have limited Russian exports of ferroalloys, which has further tightened supply and driven up prices. Looking forward, it is expected that the conflict between Russia and Ukraine will continue to affect the ferroalloy industry. Prices are expected to remain high due to tight supply.

Opportunities and Threats

Opportunities

As per short range outlook released by the World Steel Association, demand for steel worldwide will witness a 2.3 % growth in 2023 and 1.7% in 2024. The Report said that the demand will increase to 1,822 million tonnes (mt) in 2023 and 1,854 mt in 2024. In 2024, demand growth will be driven by regions outside China, but it will face global deceleration due to China's anticipated 0% growth, overshadowing the improved environment. Sustained inflation remains a downside risk, potentially keeping interest rates high.

The Indian steel industry outlook for 2023 looks promising with the country gearing to become a US \$5 trillion economy by 2030. The steel industry will play a pivotal role in steering India towards its goal. Recent changes in export taxes and import duties on steel, complemented by the rising demand for affordable housing, infrastructure development and construction projects, has led to a pan-India need for steel metal. Moreover, the government's initiative to make India self-sufficient has made room for sustainable urban development, construction of proposed logistics parks and industrial corridors – all adding to the meteoric demand for finished steel and steel as a raw material. India's steel consumption is expected to grow by 7.5% during the current fiscal year to March 2024, boosted by rising demand from the domestic construction, railways and capital goods sectors.

With 126 MT production, India is the world's second largest producer of crude steel. As per research reports, the domestic steel consumption growth rate in India is expected to be around 10-12% in FY2023. With cities expanding, technological advent of Industry 4.0, and rise in construction and engineering projects, the meteoric rise of the steel industry is not unexpected. Budget announcements related to creation of one hundred critical transport infrastructure projects will also spur up the domestic steel demand. Further the announcement with regard to review of fifty additional airports, heliports, water aerodromes and advance landing grounds for improving regional connectivity will also create opportunities for domestic steel demand. Projects like development of urban infrastructure for creating cities of tomorrow, PM Awas Yojana, and other such projects will also create demand for steel.

The global iron ore pellets market is predicted to increase in tandem with the growth of the steel sector. Furthermore, significant investments in research and development activities that further enhance product applications extend profitable opportunities to the market players. Additionally, move taken by various governments towards more sustainable steel production will further expand the future growth of the iron ore pellets market.

In just under a decade, India has risen to become the fifth largest economy in the world, up from its position as the tenth largest. The government has set a goal of 7% growth despite global headwinds. The recent Union Budget, the first one in what is being called the Amrit Kaal, has outlined strategies to strengthen India's economy and build a technology-driven and knowledge-based economy. Green growth was one of the Saptarishi or the seven guiding principles of the Union Budget 2023–24 for steering India towards the Amrit Kaal.

A slew of programmes targeted at promoting clean energy and sustainable growth have been announced in the Budget, including priority capital investment towards energy transition; provision for inter- state grid integration; viability gap funding for battery energy storage systems; compressed biogas plants; and indirect tax revisions for encouraging green energy to achieve the ambitious target of 500 gigawatts of installed non-fossil fuel energy by 2030. To achieve this, the budgetary allocations for key non-fossil fuel energy projects in 2023-24 have increased significantly. The budget has put forward Sovereign Green Fund as one of the key sources for financing clean energy transition, particularly in the areas of grid-connected solar and wind energy segments, as well as green hydrogen.

The Indian government's commitment to reaching net-zero emissions by 2070 and increasing its renewable energy target to 500 GW by 2030 at the COP26 summit has provided great support to the industry and spurred unprecedented growth. However, there is still much work to be done, with a need to install 25-30 GW of solar energy each year for the next eight years to meet its 280 GW solar target. What we need today is similar to what was once called the green revolution in agriculture and the white revolution in dairy. We are in need of a second green revolution, but this time in energy.

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The market for ferroalloys is expected to grow steadily in the coming years. Several factors are driving this growth. One factor is the increasing demand for steel. As the demand for steel increases, so does the demand for ferroalloys. Another factor driving market growth is the increasing use of ferroalloys in a variety of industries, including automotive, construction, and electrical. The Asia-Pacific region is expected to be the largest market for ferroalloys, due to the growing economies in China and India. North America and Europe are also expected to see significant growth in the demand for ferroalloys.

Threats

The price of steel is a highly sensitive matter in the steel industry which could badly impact the demand and sale of steel. High production and carriage costs, coupled with various other factors, decrease the profitability. High technological development is focusing on finding new ways/alternative materials to build houses and infrastructures that don't involve a lot of steel. It may affect the demand for steel in the customer market. Slowdown in economy, tightening of interest rate may continue to be a deterrent factor. Geo-political tension in Eastern Europe might adversely affect exports. Re-emergence of Covid may dampen business and operations.

Global DR-grade iron ore demand is expected to be at a deficit of more than 100 MTPA by 2031, sustaining high premiums. Another emerging issue is the lack of existing high-quality-pellet capacity to meet this future demand worldwide. The market is heavily reliant on iron and steel and therefore, the fluctuations in the price of raw material (iron and steel) will prove to be a demerit for the iron ore pellets market. The supply of high-quality iron ore and metallics is expected to be tight over the next decade.

The cornerstone of decarbonizing the steel industry and supporting the energy transition is capital projects at a massive scale. This will result in energy infrastructure investments growing globally at 5.9% per annum in real terms by 2030. Therefore, the strength of capital expenditure functions will become critical for steel players undertaking large capital investments.

Volatile global commodity prices and geopolitical issues, factors like insufficient availability of domestic coal, coal mining efficiencies and transportation issues affect the companies in power sector. Mining industry has to deal with many variable factors, including rising ESG and societal expectations, decarbonization of value chains, geopolitical risks, digital transformation and cumbersome statutory compliances requirements. ESG remains the top risk and opportunity for mining and metals companies.

Renewable energy sources such as wind and solar have high variability in their generation due to weather conditions. In the case of a thermal or hydropower plant, the production can be ramped up or down as per requirement, but this is not possible in the case of wind or solar power. There is growing recognition of the challenges for integration of renewables in the national grid, including seasonality in energy generation, expensive storage technologies for dealing with the mismatch between supply and demand, and lack of capacity of the existing infrastructure to cope with the variability in energy generation.

Though there has been significant increase in power generation capacities, various threats hover around. Location of renewable energy facilities in unmanageable geographical location increases the chances of attackers gaining access to generation facilities. Inefficient security in network protocols makes the entire set up vulnerable to cyber-attacks which may result in damage to the entire system.

Even though ferroalloys are used in various end-use industries in enormous quantities, long time exposure to the alloying material can harm human health. For instance, manganese fumes are toxic and cause cognitive disorders when inhaled. Therefore, organizations such as National Institute for Occupational Safety and Health (NIOSH) and Occupational Safety and Health Administration (OSHA) have launched safety guidelines for recommendations and permissible exposure limits to preserve human health. Thus, such rules and regulations for producing alloys are expected to hinder the market growth.

Outlook

The 10-year economic outlook signals a prolonged period of disruptions and uncertainties for businesses, but there are also opportunities. Global growth will return to its slowing trajectory with mature markets making smaller contributions to global GDP over the next decade. Nonetheless, there are still opportunities for firms to invest in both mature markets—given their wealth and need for innovation to compensate for shrinking labour forces and emerging markets—given their need for both physical and digital infrastructure to support their sizable and young labour forces. Keys to ensuring growth over the longer term include developing new lines of business;

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strengthening corporate culture; embracing digital transformation and automation; recruiting for talent with new skills not currently represented in the company; and maximizing the hybrid work model where it makes sense.

Research agencies continue to project India as the fastest-growing major economy at 6.5-7.0% in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilization across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption.

The capital expenditure of the central government, which increased by 63.4% in the first eight months of FY23, was another growth driver of the Indian economy. A sustained increase in private capex is also imminent with the strengthening of the balance sheets of the corporates and the consequent increase in credit financing it has been able to generate. A much-improved financial health of well-capitalized public sector banks has positioned them better to increase the credit supply. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24. India's economic growth in FY23 has been principally led by private consumption and capital formation.

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

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Risk	Risk-mitigating factors
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
System / Cyber Security risk System capability, System reliability and Data integrity risks	- 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

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.

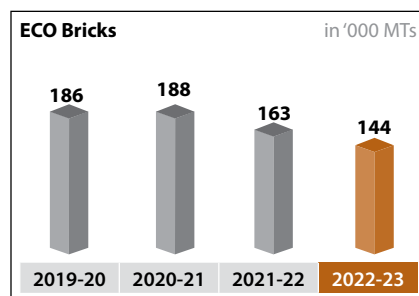
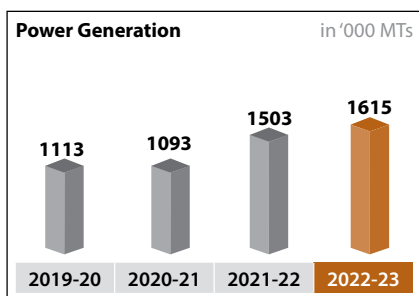
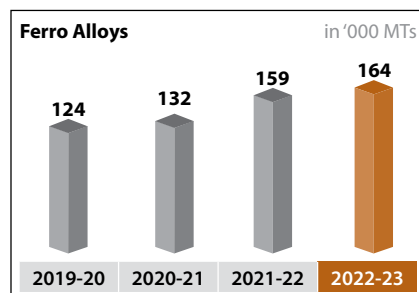
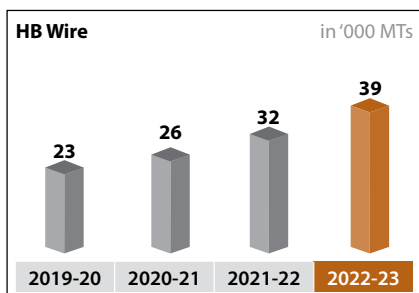
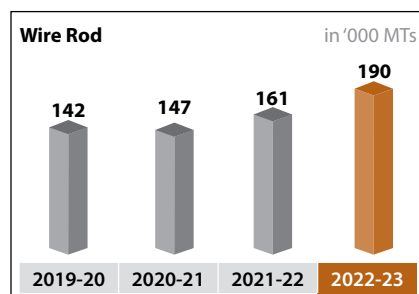
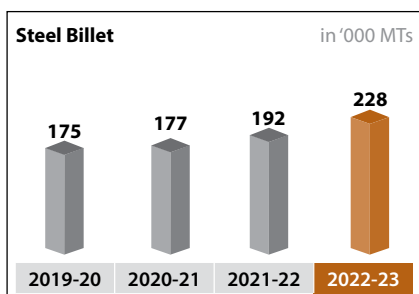
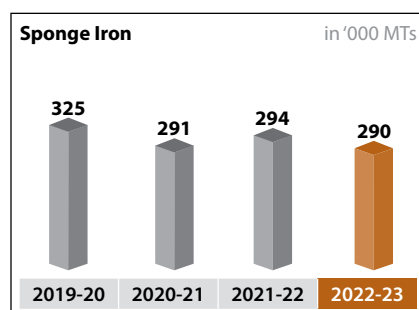
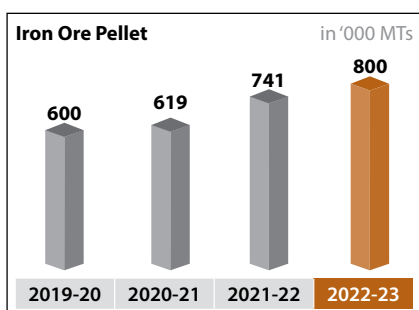
Product-wise Performance

During the year under review, the operations were better than the previous year. During the year, pellet production increased by 8%, Billet production increased by 18%, Wire rod production by 18%, HB wire production by 21%, Ferro Alloys production by 3%, power generation increased by 5%, iron ore production by 29% and coal production by 53%. Increase in coal production is not comparable because in 2021-22, coal production was for part of the year. During the year, the Company operated all its plants at optimum capacity. The consolidated product wise performance matrix for the year 2022-23 is summarized hereunder:

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Product	Production (MTs)		Sales (MTs)		Captive consumption (MTs)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Pellet	8,00,000	7,41,000	5,21,972	4,88,057	2,83,618	2,65,645
Sponge Iron	2,89,612	2,94,203	81,645	1,21,252	2,07,109	1,76,652
Steel Billet	2,27,673	1,92,283	33,349	25,688	1,94,713	1,66,085
Wire Rod	1,89,911	1,60,945	1,51,116	1,27,813	39,868	32,528
HB Wire	39,310	32,393	39,730	31,930	-	-
Ferro Alloys	1,63,967	1,59,483	1,57,432	1,53,301	3,334	3,555
Power (Mn Kwh)	1,577	1,496	565	493	971	917
Iron Ore	3,85,453	2,99,042	-	-	3,75,049	3,54,180
Coal(MT)	11,99,999	7,86,142	8,70,133	2,09,995	11,14,423	1,86,473

Consolidated Production performance



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(₹ in crore)

Financial Performance vis a vis Operational Performance as per standalone financials

Ratio	2022-23	2021-22	% Change	Reason
Debtors' turnover (no. of days)	11	12	8.33%	
Inventory turnover (no. of days)	59	60	1.67%	
Interest coverage ratio	58.29	42.29	37.83%	Lower debt
Current ratio	7.06	4.47	57.94%	Improved liquidity due to profitability
Debt equity ratio	0.04	0.06	33.33%	Repayment of term loans
Operating profit margin (%)	27.86	33.22	(16.13%)	Fall in prices of finished goods
Net profit margin (%)	22.14	24.97	(11.33%)	
Return on net worth (%)	20.58	24.97	(17.58%)	

Turnover

During 2022-23, the Company achieved a turnover of ₹ 3,020.45 crore on standalone basis as against ₹ 2,641.95 crore in the previous year, up by 14.33%. At the consolidated levels, the turnover in 2022-23 was ₹ 4,211.90 crore as against ₹ 3,914.02 crore in the previous year, increasing by 7.61%. Increase in volume contributed to higher turnover.

Breakup of revenue (% Product wise)

Product	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Ferro Alloys	23.44	25.05	36.43	40.24
Steel – billets, wire rods and HB wire	38.02	33.40	27.27	22.55
Sponge Iron	8.38	13.69	6.01	9.24
Pellet	15.93	23.37	11.42	15.77
Power	-	0.08	8.45	7.57
Coal	11.86	2.24	8.50	1.51
Others (includes eco bricks and trading)	2.37	2.17	1.92	3.12
Total	100.00	100.00	100.00	100.00

Breakup of consolidated revenue (Entity wise)

Company	2022-23	2021-22	Product
Sarda Energy & Minerals Limited	2,955.23	2,596.75	Steel, Ferro alloys & Thermal Power
Sarda Metals & Alloys Limited	947.09	1,046.04	Ferro Alloys & Thermal Power
Madhya Bharat Power Corporation Limited	251.76	194.18	Hydro Power
Chhattisgarh Hydro Power LLP	42.13	55.89	Hydro Power
Sarda Energy Limited	8.11	10.90	Share of profit from LLP
Parvatiya Power Limited	7.58	8.67	Hydro Power
Sarda Global Trading DMCC	-	1.59	Trading activities
	4,211.90	3,914.02	

Exports

Export markets for ferro alloys are catered mainly from Sarda Metals' plant located near the port. Consolidated ferro alloys exports of the Company stood at 98,617 MTs as against 91,207 MTs in previous year.

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(₹ in crore)

	2022-23	2021-22	Reason(s) for change
Finance Cost			
Standalone	15.95	22.42	Lower utilization of WC facilities and increased use of Sight LC as against usance LC
Consolidated	124.41	147.12	
Depreciation			
Standalone	65.89	53.57	Provision of depreciation on coal mines and Sikkim Hydro power project for full year. Last year it was for part of the year
Consolidated	178.35	143.16	
Other Expenses			
Standalone	295.59	215.72	Purchase of power from grid and higher carriage outwards on higher FOR buyer place sale
Consolidated	529.29	359.77	
Profitability			
EBIDTA - Standalone	928.61	952.56	Fall in price of finished goods
Consolidated	1109.60	1398.30	
PBT – Standalone	846.77	876.57	
Consolidated	806.84	1108.02	
PAT – Standalone	638.41	659.77	
Consolidated	603.98	806.70	

Non-Current Assets

	2022-23	2021-22	Reason(s) for change
Property Plant & Equipment			
Standalone	Gross – 1,024.15	Gross – 994.17	Normal capex
	Net – 595.47	Net – 589.17	
Consolidated	Gross – 3,749.19	Gross – 3,521.09	Capitalization of new furnace in Sarda Metals & Alloys Limited
	Net – 2,907.89	Net – 2,853.77	

	2022-23	2021-22	Reason(s) for change
Capital work-in-progress			
Standalone	27.64	67.90	Capitalization of Coal gasification plant and Electro Column Assembly in Ferro Alloys Plant
Consolidated	130.18	131.96	Capex on Rehar hydro power project
Investments			
Standalone	891.01	887.16	Investment in Chhattisgarh Hydro Power LLP
Consolidated	69.69	48.27	Investments mainly in Joint Venture and Associates
Loans & Advances			
Standalone	199.73	184.51	loans to related parties
Consolidated	-	-	

Management Discussion and Analysis

(₹ in crore)

	2022-23	2021-22	Reason(s) for change
Other financial assets			
Standalone	0.24	1.00	Reduction in amount given as security deposits
Consolidated	39.45	36.65	Increase due to increase in contracted assets
Other non-current assets			
Standalone	57.95	65.98	Reduction in capital advances
Consolidated	88.36	96.30	

Current assets

	2022-23	2021-22	Reason(s) for change
Inventories			
Standalone	548.88	429.13	Increase in stock of coal, iron ore and ferro alloys
Consolidated	727.12	612.97	
Investments			
Standalone	210.57	274.03	Reduction due to sale of investments
Consolidated	352.59	451.90	
Trade receivables			
Standalone	90.44	92.83	No material change
Consolidated	182.02	168.75	Increase in receivables from electricity board against sale of power
Bank and Cash Balances			
Standalone	240.78	23.43	Surplus funds deposited with banks. Increased FD in standalone and use of FD for payment of loan in MBPCL
Consolidated	372.06	281.54	
Loans and advances			
Standalone	461.75	384.78	Increase due to increase in loans to related parties and claims & recoverables
Consolidated	372.70	403.33	Reduction due to reduction in loan to related parties
Other current assets			
Standalone	179.82	175.10	Increase in advance royalty and advances to vendors
Consolidated	235.80	207.96	

Non-current Liabilities

	2022-23	2021-22	Reason(s) for change
Borrowings			
Standalone	82.73	142.84	Repayment of term loans
Consolidated	1,063.04	1,194.66	

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

CRISIL has upgraded the rating of the Company at CRISIL AA- Stable for long term credit facilities and CRISIL A1+ for short term credit facilities.

Management Discussion and Analysis

(₹ in crore)

	2022-23	2021-22	Reason(s) for change
Other long-term liabilities			
Standalone	3.11	3.17	No material change
Consolidated	19.06	9.74	Deferred payment of free power obligation in Madhya Bharat Power Corporation Limited
Provisions			
Standalone	30.94	30.42	No material change
Consolidated	36.38	34.27	

Current liabilities

	2022-23	2021-22	Reason(s) for change
Short term borrowings			
Standalone	56.22	27.69	Increased in current maturities of long-term loans
Consolidated	343.93	385.91	Reduction on account of reduction in amount of current maturities of long-term loans
Trade payables			
Standalone	55.06	142.03	reduction in outstanding amount to creditors
Consolidated	134.71	212.24	
Other financial liabilities			
Standalone	82.27	90.55	No material change
Consolidated	158.05	168.63	

Other current liabilities

	2022-23	2021-22	Reason(s) for change
Standalone	46.97	38.60	Increase in advances from customers
Consolidated	107.59	46.71	Increase in advances from customers and provision for true up of Revenue in Madhya Bharat Power Corporation Limited
Provisions			
Standalone	1.00	1.54	Reduction in provision for gratuity
Consolidated	2.32	2.61	

Material Developments in Human Resource/Industrial Relations

The HR function provides the business with tools and frameworks that enable us to effectively manage our workforce. Effective workforce management plays a vital role in achieving transformational goals and includes supporting managers in performing their daily tasks, from recruitment to development and providing insights to senior management. The HR activities of the Company are focused on achieving company goals, increased employee engagement, employee productivity, enhanced customer loyalty and preparedness to bounce back from recessionary times. The company had displayed its resilience during the toughest times resulted by waves of COVID-19.

The Company believes in togetherness, the key for success. During the year under review, the Company's focus was on employee health and safety. The HR Activities were guided towards building a motivated human capital force by engaging the employees and workmen to upgrade themselves with new technologies across business functions.

Management Discussion and Analysis

To make sure Company has leaders for tomorrow, the Company has come up with new initiative **“Talent Xibit”** to develop & nurture top talents wherein a pool of 84 persons have been identified and made to undergo Development Assessment. Structured learning methods with clear objectives were used to imparted training / learning. This is a new initiative to create a talent pipeline and constant efforts would be put in to review the results and transform this initiative as a continuous process.

Continuous learning is key to open new doors of thinking. During the year the Company achieved 2.93 mandays of training per employee which includes internal and external training sessions. These learning interventions are focussed on multiple dimensions of technical, behavioural, wellness & safety. Further, the Company has also taken up new initiative to upkeep the wellness of family members with virtual sessions on mindfulness, awareness in multiple learning areas.

During the year, **8 Quality Circle teams** of the Company have participated in CCQC-2022 (Chapter Convention on Quality Concepts) organized in Bhilai and all the teams won **“Gold Award”**. In NCQC-2022 (National Convention on Quality Concepts), 8 QC Teams have participated and 4 of them won **“Par Excellence”** award and 4 of them won **“Excellence”** award with a **100% winning tally**.

During the year, the Company :

- continued to operate and maintain, mobile medical van in mines and surrounding villages to strengthen community health services benefitting 11,354 patients.
- organized health check-up camps, eye check-up camps, and awareness programmes on health issue and boosting of immunity etc.
- undertaken watershed development initiatives in villages and has created & maintained rainwater harvesting structures.
- has organized Women’s Empowerment Training to promote income generation activities at village level with Central Board of Workers Education, benefitting 187 women across 2 villages.
- has provided scholarships to meritorious students in nearby villages.
- has provided portable drinking water supply to nearby villages during summer period. Also providing continuous water supply to Siltara & Mandhar village community for drinking and other daily use.
- supported 50 Ekal vidhyalays for education to tribal children, donated 22-seater School Bus, supported schools for teachers, infrastructure and school building.
- provided infrastructure support to villages including roads, drainage system, etc.
- supported 11 physically challenged couple for marriage under “Nirdhan Kanya Vivah” initiative.

As of 31st March 2023, the total number of employees on permanent company rolls stood at 1,395 (excluding trainees) as compared to 1,369 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

During the year 2022-23, the Board of Directors comprised 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 2023, 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	-	5,48,455
Mr. Pankaj Sarda [^]	Promoter/Wholetime	11	4	6,71,441
Mr. Padam Kumar Jain	Professional/Wholetime	3	1	9,788
Mr. Asit Kumar Basu	Independent	3	4	3,887
Mr. C.K. Lakshminarayanan [#]	Independent	3	3	7,774
Mr. Jitender Balakrishnan	Independent	8	5	1,667
Mr. Rakesh Mehra	Independent	2	1	10,340
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 other director in any manner. Mr. K.K. Sarda is father of Mr. Pankaj Sarda.

[#] Retired w.e.f. 1st April, 2023

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 2023 as given hereunder:

i)	23rd April, 2022	ii)	21st May, 2022	iii)	30th July, 2022
iv)	12th November, 2022	v)	10th February, 2023	vi)	16th March, 2023

Corporate Governance Report

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2023 and at the last Annual General Meeting is as under: -

Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. Kamal Kishore Sarda	6	Yes
Mr. Pankaj Sarda	6	Yes
Mr. Padam Kumar Jain	6	Yes
Mr. Asit Kumar Basu	5	Yes
Mr. C.K. Lakshminarayanan [#]	6	Yes
Mr. Jitender Balakrishnan	6	Yes
Mr. Rakesh Mehra	6	Yes
Ms. Tripti Sinha	6	Yes

Retired w.e.f. 1st April, 2023

2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31st March 2023):

S.No.	Name	Name of the Company	Designation
1.	Mr. K.K. Sarda	Chhatisgarh Investments Limited	Director
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 Polyplex Corporation Limited	Independent Director Independent Director
7.	Mr. Rakesh Mehra	NIL	NA
8.	Ms. Tripti Sinha	NIL	NA

Retired w.e.f. 1st April, 2023

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 facilities, ferro alloys manufacturing facilities, 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 47 years of experience	Iron & Steel, Mining, Strategic Planning
2	Mr. Pankaj Sarda	MS in Industrial Administration Nearly 20 years of experience	Strategic Planning, Production, Operations, General Management
3	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 37 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
4	Mr. Asit Kumar Basu	BME Nearly 45 years of experience	Finance, Internal financial controls

Corporate Governance Report

S. No.	Name of Director	Qualification & Experience	Expertise
5	Mr. Chittur Krishnan Lakshminarayanan [#]	B. Tech Nearly 48 years of experience	Power Sector, Finance, Capital markets
6	Mr. Jitender Balakrishnan	B.E. (Mech.), PGDM in Industrial Management Nearly 45 years of experience	Power, Steel, Oil & Gas, Corporate Governance. Risk Assessment
7	Mr. Rakesh Mehra	FCWA Nearly 39 years of experience	Finance, Costing & Management Accounting
8	Ms. Tripti Sinha	B.E. (Electricals) Nearly 43 years of experience	Power
9	Mr. Amal Kumar Debnath*	B. Tech, Mining Nearly 40 years of experience	Mining and related matters
10	Mr. Binoy Parikh*	Chartered Accountant About 6 years of rich experience	Amalgamation & Mergers, Taxation matters

Retired w.e.f. 1st April, 2023

* Director w.e.f. 1st August 2023

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 may be 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 2022-23.

K.K. Sarda

Chairman & Managing Director"

2.7 Particulars of Directors seeking appointment/reappointment.

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 28th September 2023 are given as under:

Corporate Governance Report

1	Name	Mr. Padam Kumar Jain	Mr. Amal Kumar Debnath
2	i) Age	60 years	67 years
	ii) Qualification	Chartered Accountant / Company Secretary	B.Tech Mining
	iii) Date of appointment	01.06.2016	01.08.2023
3	Experience	Nearly 37 years of experience in Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws	Nearly 40 years of experience in Mining. Had a long career spanning more than 39 years with Central Coalfields Limited, Ranchi (CCL) and Central Mine Planning & Design Institute Limited (HQ), Ranchi (CMPDI). During his tenure he has worked in areas like, underground production, safety, ventilation, mine management, mine planning – Underground & Opencast, EIA/EMPs, tender finalization, mechanization (introduction of New Technology) like Longwall technology, Continuous Miner, Surface Miner, High wall mining, Higher site HEMM like 42 cum shovel with 240T dumper combination, etc.
4	Terms & Conditions of re-appointment	Mr. Padam Kumar Jain is Wholetime Director, liable to retire by rotation & is also the CFO. Other terms and conditions are as approved by the members in the 48th Annual General Meeting.	Mr. Amal Kumar Debnath is Independent Director (Additional) on the Board. Necessary resolution for his appointment is being taken up in the ensuing AGM.
5	Remuneration last drawn (including sitting fees, if, any) (per annum)	₹166.82 lakh (F.Y. 2022-23)	Not Applicable
6	Remuneration / Sitting Fees proposed to be paid per month	As approved by the members in the 48th Annual General Meeting.	As per the terms of remuneration for non-executive directors approved by the members at the 41st AGM.
7	Other Directorships	Geschaft Formulae India Private Limited	--
8	Chairman/ Member of Committees	<u>Sarda Energy & Minerals Limited</u> - Stakeholders' Relationship Committee - Member Risk Management Committee - Member	--
9	Shareholding in the Company	9,788 Equity shares	--
10	No. of Board Meetings attended/held during Financial Year 2022-23	6/6	Not applicable
11	Relationship with Directors	No relationship	No relationship

Corporate Governance Report

1	Name	Mr. Binoy Sandip Parikh
2	i) Age	31 years
	ii) Qualification	Chartered Accountant
	iii) Date of appointment	01.08.2023
3	Experience	Nearly 10 years of rich experience in Mergers and Acquisitions, dealing with host of laws and regulations including tax, corporate law, securities law, foreign exchange laws, IndAS/ Accounting, finance, etc.
4	Terms & Conditions of re-appointment	Mr. Binoy Sandip Parikh is Independent Director (Additional) on the Board. Necessary resolution for his appointment is being taken up in the ensuing AGM.
5	Remuneration last drawn (including sitting fees, if, any) (per annum)	Not Applicable
6	Remuneration / Sitting Fees proposed to be paid per month	As per the terms of remuneration for non-executive directors approved by the members at the 41st AGM.
7	Other Directorships	--
8	Chairman/ Member of Committees	Not Applicable
9	Shareholding in the Company	NIL
10	No. of Board Meetings attended/held during Financial Year 2022-23	Not Applicable
11	Relationship with Directors	No Relationship

3. Committees of the Board

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

Audit Committee	Nomination & Remuneration Committee
Mr. A.K. Basu (Chairman)	Mr. J. Balakrishnan (Chairman)
Mr. C.K. Lakshminarayanan (upto 31st March, 2023)	Mr. A.K. Basu
Mr. Rakesh Mehra	Mr. C.K. Lakshminarayanan (upto 31st March, 2023)
Mr. Pankaj Sarda	Mr. K.K. Sarda
Ms. Tripti Sinha (w.e.f. 1st April, 2023)	Mr. Rakesh Mehra (w.e.f. 1st April, 2023)
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. J. Balakrishnan (Chairman)	Mr. Rakesh Mehra (Chairman)
Mr. Pankaj Sarda	Mr. K.K. Sarda
Mr. Padam Kumar Jain	Ms. Tripti Sinha
Risk Management Committee	
Ms. Tripti Sinha (Chairperson)	
Mr. Pankaj Sarda	
Mr. P.K. Jain, WTD & CFO	
Mr. Anup Kumar Nanda (upto 30th June 2022)	
Mr. Sanjeev Agrawal (w.e.f. 1st July 2022)	

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

Corporate Governance Report

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

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

Retired w.e.f 1st April, 2023

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;

Corporate Governance Report

g) carrying out any other function as is mentioned in the terms of reference of the committee.

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

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

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 the Company for the year 2022-23.

Details of remuneration to Chairman & Managing Director and Wholetime Directors are as under:

(₹ in lakh)

Name of the Director	Salary & Allowances	Perquisites	Retiral Benefits	Commission	Total*	Stock Options granted [#]
Mr. K.K. Sarda	188.64	23.08	7.50	625.00	844.22	NIL
Mr. Pankaj Sarda	81.60	5.28	7.50	500.00	594.38	NIL
Mr. Padam Kumar Jain [^]	72.02	2.30	7.50	85.00	166.82	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 2022. 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. A.K. Basu	1.70	12.00	13.70
Mr. C.K. Lakshminarayanan [#]	1.90	10.00	11.90
Mr. J. Balakrishnan	1.60	10.00	11.60
Mr. Rakesh Mehra	1.80	10.00	11.80
Ms. Tripti Sinha	1.60	10.00	11.60

Retired w.e.f. 1st April, 2023

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.

Corporate Governance Report

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, 3 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 2023.

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.

Details of Senior Management and changes therein during the year

S. No.	Name	Designation	Change/No change
1	Mr. Padam Kumar Jain*	Chief Financial Officer	No Change
2	Mr. Anant Sarda	President	Appointed w.e.f. 10.03.2023
3	Mr. Manish Sethi	Company Secretary	No Change
4	Mr. A.K. Nanda	Plant Head	Superannuated on 30.06.2022
5	Mr. Sanjeev Agarwal	Plant Head	w.e.f. 01.07.2022

*Mr. Padam Kumar Jain is also Whole-time Director.

Corporate Governance Report

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
29th September, 2022	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; was 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.

Special Resolution(s) passed through Postal Ballot

During 2022-23, no Special Resolution was passed through Postal Ballot.

During current year 2023-24, the Company sought the approval of the shareholders by way of postal ballot on three resolutions. The voting period for remote e-voting commenced on Wednesday, 14th June 2023 at 9.00 a.m. (IST) and ended on Thursday, 13th July 2023 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions was provided by the Scrutinizer on Saturday, 15th July 2023. The details are as under:

Item No.	Brief Description	Number of votes cast in favour		Number of votes cast against		Number of votes abstained		Total votes cast
		No of votes	% to total votes cast	No of votes	% to total votes cast	No of votes	% to total votes cast	
Ordinary Resolutions								
i)	Split of shares	20083734	99.999%	235	0.001%	-	--	20083969
ii)	Approval of remuneration of Mr. Anant Sarda (office of profit)	19458157	96.891%	624311	3.109%	1501	NA	20082468
Special Resolution								
i)	Alteration in Authorised share capital	20083280	99.997%	688	0.003%	1	NA	20083968

Corporate Governance Report

In respect of the above Postal Ballot conducted by the Company during 2023-24, the Board of Directors had appointed Mr. Kamlesh Ojha (Membership No. FCS 10807, CP No. 14660) of S.G. Kankani & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the postal ballot process, in a fair and transparent manner.

The aforesaid Postal Ballot was conducted by the Company as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and Circular issued by the Ministry of Corporate Affairs.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this 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: 28th September 2023
	:	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.
Dividend payment	:	On and from 4th October, 2023 (subject to approval of the shareholders at the AGM)
Financial calendar for 2023-24(tentative)	:	
Financial results for the quarters ended:		
30th June 2023	:	4th week of July 2023
30th September 2023	:	1st week of November 2023
31st December 2023	:	1st week of February 2024
31st March 2024	:	4th week of May 2024 (audited)
Annual General Meeting (for F.Y. 2023-2024)	:	September, 2024

Listing on stock exchanges :	:	The equity shares of the Company are listed on the following exchanges:
Equity shares	:	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 2023-24

Corporate Governance Report

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

Market price data: High/low during the year 2022-23

Month	SEML price on the BSE (in ₹)		SEML price on the NSE (in ₹)	
	High	Low	High	Low
Apr., 2022	1,358.10	1,074.60	1,360.00	1050.10
May, 2022	1,289.00	813.10	1,289.00	825.90
Jun., 2022	930.00	705.40	929.00	700.00
Jul., 2022	969.50	801.55	969.65	801.05
Aug., 2022	943.50	851.00	944.70	850.75
Sep., 2022	944.20	793.25	945.00	796.00
Oct., 2022	868.00	793.95	871.00	799.10
Nov., 2022	983.00	826.00	980.00	829.80
Dec., 2022	1,075.70	909.85	1,074.80	908.20
Jan., 2023	1,171.45	1,017.10	1,172.00	1,005.50
Feb., 2023	1,145.00	1,024.05	1,144.40	1,024.35
Mar., 2023	1,219.00	967.00	1,219.40	966.80

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



SEML share price vs BSE Sensex



SEML share price vs Nifty

Corporate Governance Report

Shareholding pattern as on 31st March, 2023

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	2,55,97,426	72.64
2.	Banks/MFs /FIs/Ins.Cos. /NBFCs/AIFs	13,25,558	3.76
3.	Foreign Portfolio Investors	8,59,251	2.44
4.	Bodies Corporate	13,00,395	3.69
5.	Individuals NRIs	1,40,146	0.40
6.	Resident Individuals	55,61,855	15.78
7.	IEPF Authority	1,93,544	0.55
8.	Others	2,59,952	0.74
	TOTAL*	3,52,38,127	100.00

*There are no outstanding GDRs/ADRs/Warrants/Convertible instruments of the Company. During the year 2022-23, the Company has bought back 811108 equity shares.

Distribution of shareholding as on 31st March, 2023

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	25113	93.58	2118098	6.01
5,001 – 10,000	836	3.12	625739	1.77
10,001 – 20,000	400	1.49	580267	1.65
20,001 – 30,000	159	0.59	391510	1.11
30,001 – 40,000	62	0.23	219640	0.62
40,001 – 50,000	54	0.20	245502	0.70
50,001 – 1,00,000	97	0.36	700286	1.99
1,00,001 and above	115	0.43	30357085	86.15
Total	26,836	100.00	3,52,38,127	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 2023, out of the total 3,52,38,127 equity shares held by about 26,836 (PY 25,963) shareholders, 3,50,10,434 (PY 3,57,92,206) equity shares held by 24,845 (PY 23,742) shareholders representing 99.35% (PY 99.29%) of the total paid-up equity capital have been dematerialized.

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

Details of shares transferred to the Suspense Escrow Demat Account are as under:

S. No.	Particulars	Details of shares transferred pursuant to SEBI Circular dated January 25, 2022	
		No. of shareholders	No. of shares
i)	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	NIL	NIL
ii)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	NIL	NIL

Corporate Governance Report

S. No.	Particulars	Details of shares transferred pursuant to SEBI Circular dated January 25, 2022	
		No. of shareholders	No. of shares
iii)	Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
iv)	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	1	29

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

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 – 19.07.2022
Total facilities rated	₹1,129 crore
Long Term	CRISIL AA-/Stable
Short Term	CRISIL A1+

9. Disclosures

a) Related Party Transactions

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

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 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 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

Corporate Governance Report

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 had waived the fine for June 2020 and September 2020. However, BSE had 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. 2015-16 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till 31.03.2023, the Company has transferred 2,00,344 shares to IEPF.

The Company had transferred unpaid dividend for F.Y. 2011-12 to IEPF in 2019. However, due to technical reasons, the payment of dividend to IEPF has not been updated in IEPF /MCA records because of which, the relevant details of shareholders (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

Corporate Governance Report

to accept the claims of dividend/shares from IEPF relating to F.Y. 2011-12 and shares transferred to IEPF 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 year 2022-23, the Company was informed 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 thereafter, the said transaction was cancelled by the MCA system. The funds have been not returned back to the Company. The Company is following up with the authorities for resolution of the matter. Pending resolution of the matter, the Company shall not be able to accept any request for refund of 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**

- ✓ Material Subsidiary Policy
- ✓ Related Party Transaction Policy
- ✓ Dividend Distribution Policy
- ✓ Other Policies

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

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 amounts to ₹50.91 lakh (Gross).

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- 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) Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested:

S. No.	Name	Nature	Amount (₹ crore)*
1	Sarda Hydro Power LLP	Loan	0.17
2	Chhatisgarh Investments Limited	Loan	238.59

* Outstanding as on 31st March, 2023

- l) Details of material subsidiaries of the Company, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries are as under:

S. No	Name of Subsidiary	Place and date of Incorporation	Name of Auditor	Date of Appointment
1.	Madhya Bharat Power Corporation Limited	Delhi 07/09/1994	Ajay Sindhwani & Co.	22/08/2022
2.	Sarda Metals & Alloys Limited	Mumbai 21/10/2008	Singhi & Co.	24/09/2020

- m) **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: F010807E000702773

Raipur

29th July, 2023

- n) **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

- o) **Address for correspondence :**

Regd. Office

73-A, Central Avenue, Nagpur (M.H.)

Ph: +91-771-2722407

e-mail: cs@seml.co.in

Corporate Governance Report

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Sarda Energy & Minerals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 21st September 2019.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Limited ('the Company') for the year ended on 31st March 2023, 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 2023.

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

Restriction on use

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

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

Sd/-
(Sanjay Singhania)
Partner

Raipur
29th July, 2023

M.No.076961
UDIN: 2307961BGWSKL2800

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L27100MH1973PLC016617
2	Name of the Listed Entity	Sarda Energy & Minerals Limited
3	Year of Incorporation	1973
4	Registered office address	73/A, Central Avenue, Nagpur (MH)
5	Corporate address	Sarda Energy & Minerals Limited Industrial Growth Centre, Siltatra, Raipur (Chhattisgarh) - 493111
6	E-mail	cs@seml.co.in
7	Telephone	+91 7712216100
8	Website	www.seml.co.in
9	Financial year for which reporting is being done	2022-23
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11	Paid-up Capital	₹ 35,23,81,270/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Director Mr. Pankaj Sarda (DIN: 00008190) Jt. Managing Director cs@seml.co.in +91 771 2214100 BRSR Head Mr. Sanjeev Agarwal President (Plant Operations) sagrawal@seml.co.in +91 771 2216100
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Though the subsidiaries are not included in BRSR, they do strive to carry out their business in a sustainable manner.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Iron and steel	62.33%
		Ferro Alloys	23.44%
		Coal	11.86%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Pellet	24109	15.93%
2	Sponge Iron	24102	8.38%
3	Steel Billets	24103	5.18%

Business Responsibility & Sustainability Report

S. No.	Product/Service	NIC Code	% of total Turnover contributed
4	Wire Rod / HB Wire	24105	32.85%
5	Ferro Alloys	24104	23.44%
6	Coal	05101	11.86%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants	Number of offices	Total
National	1	4	5
International	-	-	-

17. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	17
International (No. of Countries)	17

b. What is the contribution of exports as a percentage of the total turnover of the entity?

In 2022-23, exports contributed 7.09% of the total turnover of the Company.

c. A brief on types of customers

Our customers are mostly corporates engaged in the iron & steel manufacturing. Coal is sold to industrial units operating in different segments. Eco bricks are supplied to end use customers including corporates in real estate sector and individuals. In export market, we supply ferro alloys to large steel mills and multinational trading houses.

IV. Employees

18. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	1073	1063	99.07%	10	0.93%
2	Other than Permanent (E)	--	--	--	--	--
3	Total employees (D + E)	1073	1063	99.07%	10	0.93%
WORKERS						
4	Permanent (F)	425	425	100.00%	0	--
5	Other than Permanent (G)	2005	1925	96.01%	80	3.99%
6	Total workers (F + G)	2430	2350	96.71%	80	3.29%

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	1	1	100%	-	-
2	Other than Permanent (E)	-	-	-	-	-
3	Total employees (D + E)	1	1	100%	-	-

Business Responsibility & Sustainability Report

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4	Permanent (F)	-	-	-	-	-
5	Other than Permanent (G)	5	5	100 %	-	-
6	Total workers (F + G)	5	5	100 %	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	1	14.29%
Key Management Personnel	1	-	-

20. Turnover rate for permanent employees and workers

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.73%	30.00%	5.96%	4.73%	0%	4.73%	2.24%	40.00%	2.39%
Permanent Workers	4.70%	0%	4.70%	4.61%	0%	4.61%	1.15%	0%	1.15%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Sarda Energy & Minerals Hongkong Limited	Subsidiary	100%	No
2	Sarda Global Venture Pte. Limited	Subsidiary	100%	No
3	Sarda Global Trading DMCC	Subsidiary	100%	No
4	Sarda Metals & Alloys Limited	Subsidiary	100%	No
5	Sarda Energy Limited	Subsidiary	100%	No
6	Natural Resources Energy Private Limited	Subsidiary Joint Venture	51%	No
7	Shriram Electricity LLP	Subsidiary	51%	No
8	Madhya Bharat Power Corporation Limited	Subsidiary	84.65%*	No
9	Parvatiya Power Limited	Subsidiary	51%	No
10	Sarda Hydro Power LLP	Subsidiary	60%	No
11	Chhattisgarh Hydro Power LLP	Subsidiary	100%*	No
12	Raipur Infrastructure Company Limited	Joint Venture	33.33%	No
13	Madanpur South Coal Company Limited	Joint Venture	20.13%	No
14	Kalyani Coal Mining Private Limited [#]	Subsidiary	100%	No

* Holding including holding by WOS

[#] Incorporated on 02.05.2023.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover in ₹ crore	3,020.45
(iii) Net worth in ₹ crore	3,102.72

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VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Whistle blower policy link https://www.seml.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf	NIL	NIL	--	NIL	NIL	--
Investors (other than shareholders)	SCORES Portal	NIL	NIL	--	NIL	NIL	--
Shareholders	SCORES Portal	3	0	--	10	0	--
Employees and workers	Yes, Whistle blower policy link https://www.seml.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf	NIL	NIL	--	NIL	NIL	--
Customers	SCORES Portal	15	0	--	12	0	--
Value Chain Partners	Yes, Whistle blower policy link https://www.seml.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf	NIL	NIL	--	NIL	NIL	--
Other (please specify)	SCORES Portal	NIL	NIL	--	NIL	NIL	--

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Occupational Health & Safety	R	In the shopfloor or in field, workers are exposed to dust / gases/ heat / moving parts of machines which may be risky if not addressed.	Extensive training and awareness, use of protective equipment, creating safe working condition, extensive use of technology, safety audits	Negative implications
2	Energy consumption	R	Conventional Energy generation has adverse impact on environment.	Energy efficiency in operations and promoting usage of clean energy.	Negative implications
3	Waste Management	O	In the course of production a lot of waste (including heat) is generated which, if utilized productively, will make the business sustainable and environment friendly	NA	Positive implications

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S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Emission control	R	Manufacturing processes generate hazardous substances adversely affecting environment	Installation of suitable pollution control equipment	Negative implications
5	Water & Effluent Management	R	Water is scarce commodity having impact on environment and society.	Optimize water usage and treatment and recycling of used water and zero discharge of effluents	Negative implications
6	Responsible Investment	O	Investment approach that recognizes the generation of long-term sustainable returns and is dependent on stable, well-functioning and well-governed social, environmental and economic systems	NA	Positive implications
7	Local Considerations	O	Identification and mitigation of adverse impacts arising out of business operations on local communities, and creating opportunities for enhancing the positive community impacts	NA	Positive implications
8	Human Capital Development	O	Need for developing required calibre of resources to face challenges and providing opportunity to the surrounding communities to participate in growth	NA	Positive implications
9	Human Rights	R	This involves training of employees on human rights, assessment of business operations on human rights	Whistle-blower Mechanism and compliance training covering human rights	Negative implications
10	Environmental Compliance	O	Compliance with local and national environmental regulations	NA	Positive implications
11	Materials	O	Enhancing resource efficiency and increasing the usage of recycled materials across operations	NA	Positive implications
12	Life cycle Management of Assets	O	Long-term management of assets for enhancing the reliability, product quality and operational eco-efficiency of assets.	NA	Positive implications

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SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)					Yes				
b. Has the policy been approved by the Board? (Yes/No)					Yes				
c. Web Link of the Policies, if available	Policies are available under the Investors' Section on the website of the Company – www.seml.co.in								
2. Whether the entity has translated the policy into procedures. (Yes / No)					Yes				
3. Do the enlisted policies extend to your value chain partners? (Yes/No)					No				
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The policies are based on NGRBC								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>The Company has planned to reduce environment pollution and increase the use of green energy.</p> <ul style="list-style-type: none"> • Target set under PAT scheme – 0.5802 TOE/Tonnes. Target to be achieved by FY- 2024-25. • Company has decided to install 25MW solar power plant. • Company is planning to minimize use of Coal Gasifier and Reheating Furnace for Billet reheating before Wire Rod Mill by adopting direct hot charging process. This will help in reducing pollution. • The Company adding additional fields in ESPs to reduce environment pollution. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	<p>We have long recognized the importance of Environment, Social and Governance (ESG). We have worked upon bringing positive change, not just within the industry but also in the communities where we operate. We focus on waste recycling and run waste to wealth programmes to achieve 100% waste utilization. As the shift to a low-carbon economy is likely to unfold faster, the implications on steel sector shall be profound. We take cognisance of reduction in pollution to meet the evolving stakeholder expectations. We continue to seek innovative ways for this transition, through experimentation and investment. While the Company explores sustainable alternatives to traditional steel production methods, it is concurrently investing in new and efficient production methods. We also ensure to safeguard the flora and fauna in the course of our operations.</p>								

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Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes	<p>We endeavour to improve health and safety, and community well-being along with workforce diversity and inclusion.</p> <p>We follow high governance practices in our operations. We recognize the criticality of governance challenges relating to business ethics, ever-evolving compliance landscape, and the imperative of improved disclosures. To effectively mitigate these challenges, we have in place Code of Conduct for promoting transparency and accountability.</p> <p>Our efforts towards ESG serves as a catalyst for our long-term success and resilience in the face of evolving market dynamics.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The Board of Directors of the Company is the highest authority responsible for the oversight of the implementation of Business Responsibility policies. The Chairman & Managing Director of the Company is the highest authority responsible for implementation of all policies in the Company.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. The Board and the other Statutory Committees take care of sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Director									Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Director									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P									P								
	1									2								
	3									4								
	5									6								
	7									8								
	8									9								
	No.																	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

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SECTION C: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total No of Training & awareness Programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	7	Management, Technical	85-90%
Key Managerial Personnel	12	Technical	100%
Employees other than BoD and KMPs	469	Managerial & Technical Behaviors & Motivational	75.90%
Workers	292		55.50%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website)

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Monetary					
Penalty/ Fine	--	NA	NIL	NA	NA
Settlement	--	NA	NIL	NA	NA
Compounding fee	--	NA	NIL	NA	NA
Non-Monetary					
Imprisonment	--	NA	NIL	NA	NA
Punishment	--	NA	NIL	NA	NA

- Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

- Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, all our major contracts contain anti-bribery clauses and whistle blower policy contains processes to raise voice against corruption and bribery. Weblink is <https://semil.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf>

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5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	--	0	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	--	0	--

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Total number of awareness programmes held	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
04	Awareness on Labour Laws & Principles	11%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a Code of Conduct for all members of the Board, which requires all Directors of the Company to always act in the interest of the Company and ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the Company. In case of any actual or potential conflict of interest, the concerned Director is required to immediately report such conflicts and seek approvals as required by the applicable law and under Company's policies.

The Company receives an annual declaration from its Board of Directors and senior executives confirming adherence to the Code of Conduct, which includes the provisions on dealing with conflict of interest.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2022-23	2021-22	Details of improvements in environmental and Social impacts
R&D	Not quantified	Not quantified	Expenditure on R & D is not specifically accounted for. Internal team undertakes the R & D activities on a continuous basis.
Capex	29.49%	47.44%	ESP Field extension, Gasifire in Pellet plant, ESP modification in Pellet Plant, Dust collector system and bag filter in Sponge Iron Plant / Energy saving equipments.

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2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
No. However, the Company expects its suppliers & transporters to abide by its ethical, social, safety, and security standards for transparent, hassle-free, and long-term business relationships. The Company takes every effort to ensure that its suppliers & transporters are compliant in areas such as child labour, forced or compulsory labour, health & safety & hospitality, and human rights etc.
- b. If yes, what percentages of inputs were sourced sustainably?
Quantification is difficult
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
The Company takes utmost care in disposing hazardous waste and e-waste which are disposed through authorized/registered recyclers/disposers. All non-hazardous waste is either recycled and reused in its own operations for brick making/road making or sold as co-products to other industries, with the largest customer being the cement industry.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Yes. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry)? If yes, provide details in the following format?
No.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
-	-	-	-	-	-

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Description of the risk	Action taken service	Concern
The Company has not conducted LCA for its products.		

3. Percentage of recycled or reused input material to total material (by value) used in production.

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Fly Ash	16.40 %	14.40 %
Char/Dolochar	2.82 %	3.03 %
Silico Slag	20.60 %	17.20 %
MNO Slag	8.13 %	4.68 %
Induction Slag	3.70 %	8.40 %
Mill Scale	0.580 %	0.205 %
End Cutting Scrap	0.745 %	0.897 %

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4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format

	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Used oil / Greases	0	0	25.93	1.54	0	17.45
Spent iron exchange resin containing toxic metal	0	0	0.180	0	0	0
Exhaust Air or Gas cleaning residue (Coal tar from gasifier)	0	0	1,893.07	0	0	484.87
Residue or sludge Containing phenol (Phenolic water)	0	0	306.60	0	0	118.2
E - Waste	0	0	4.9	0	0	0
Battery Waste	0	0	21.46	0	0	3.08

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1063	1063	100 %	1063	100 %	--	--	--	--	--	--
Female	10	10	100 %	10	100 %	10	100%	--	--	--	--
Total	1073	1073	100 %	1073	100 %	--	--	--	--	--	--
Other than Permanent employees											
Male	--	--	--	--	--	--	--	--	--	--	--
Female	--	--	--	--	--	--	--	--	--	--	--
Total	--	--	--	--	--	--	--	--	--	--	--

- b. Details of measures for the well-being of workers

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	425	425	100 %	425	100 %	--	--	--	--	--	--
Female	-	-	-	-	-	--	--	--	--	--	--
Total	425	425	100%	425	100%	--	--	--	--	--	--

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Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
Other than Permanent employees											
Male	1925	1925	100%	1925	100%	--	--	--	--	--	--
Female	80	80	100%	80	100%	--	--	--	--	--	--
Total	2005	2005	100%	2005	100%	--	--	--	--	--	--

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.40%	100.00%	Y	99.39%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
Others, please specify						
NPS	5.74 %	-	Y	6.08 %	-	Y
Superannuation	1.67 %	-	Y	1.77 %	-	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, at identified places. Will be extended to other places.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	
Other than Permanent Workers	Yes
Permanent Employees	
Other than Permanent Employees	

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The Company has grievance redressal mechanism for employees. There is also a grievance redressal procedure which includes subjects such as discharge / dismissal, misconducts, fines etc. The Employees have the facility to raise their complaints at appropriate level and if not satisfied with the resolution may raise it to higher level and in appropriate cases, to the Audit Committee.

Chairman & Managing Director / Jt. Managing Director of the Company also interacts with the employees to assess and resolve their grievances/issues.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total						
Permanent Employees						
Male						
Female						
Total Permanent Workers						
Male						
Female						

Not Applicable

8. Details of training given to employees and workers

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill Up gradation		Total (D)	On Health and safety measures		On Skill Up gradation	
		No. (B)	% (B / A)	No (C)	% (C/A)		No. (E)	% (E / D)	No (F)	% (F/D)
Employees										
Male	1063	772	72.62	772	72.62	1024	810	79.10	673	65.72
Female	10	06	60	06	60.00	7	4	57.14	2	28.57
Total	1073	778	72.51	778	72.51	1031	814	78.95	675	65.47
Workers										
Male	425	425	100	227	53.41	410	398	97.07	92	23.12
Female	-	-	-	-	-	1	1	100	1	100
Total	425	425	100	227	53.41	411	399	97.08	93	22.63

9. Details of performance and career development reviews of employees and Worker

	FY 2022-23			FY 2021-22		
	Total	No	%	Total	No	%
Employees						
Male	1063	806	76%	1205	-	-
Female	10	6	60%	05	-	-
Total	1073	812	75.6%	1210	-	-

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	FY 2022-23			FY 2021-22		
	Total	No	%	Total	No	%
Workers						
Male	429	429	100%	347	-	-
Female	-	-	-	-	-	-
Total	429	429	100%	347	-	-

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. Occupational health and safety management system has been implemented by the Company. The Coverage of the system is as per ISO 45001:2018. The Company endeavors to prevent all injuries and work-related illnesses. It recognizes health and safety as an integral part of its operations by promoting "Zero Incidents" in its operations. It aspires to set the highest standards required to comply and exceed applicable statutory health and safety requirements. It provides appropriate trainings to employees, associates, contractors and suppliers to help them work safely. The system helps in assessing risks and provides controls on health and safety hazards in operations and activities. Regular assurance programs are conducted and timely actions are taken. The systems ensure that incidents are reported timely, investigated for root causes and deployment of lessons learnt across the division.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

A well-defined safety observation system, hazard identification and risk assessment procedures are in place. Some of them are enlisted below:

- Hazard Identification & Risk Assessment
- Quantitative Risk Assessment
- Job Safety Analysis
- Inspections
- Audits
- Safety Observation System

Safety is reviewed by the Board as an important part of the operations review. The safety performance with all locations is reviewed on a continuous basis.

Each activity has been defined through associated hazards and risks on various parameters - i.e. occurrence, severity, legal concern, likelihood of detection, etc. The control measure has been put in place for each such activity.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The workers can report incidents and near-misses to their immediate reporting officers / Head of HSE and can also raise their safety concerns. The Company as an established Hazard Identification and Risk Assessment (HIRA) process for both routine and non-routine jobs. Routine trainings on HIRA and Job Safety Assessment (JSA) are being provided to operation, maintenance and service engineers.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

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11. Details of safety related incidents

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	2	2
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Hazard identification, Risk Assessment and Management is done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure and Job Safety Analysis (JSA) Procedure.
- Hierarchy of controls is followed for application of risk control measures, Control Plans commensurate to risk are deployed before execution of job. No job is executed until risks are brought to acceptable range.
- Safety Committees are in place at various levels to review the adequacy of resources for safety and to provide support for safety management system deployment.
- Deployment of Safe and Healthy work system is assured through periodic safety audits and inspections across sites.
- We have carried out Medical Examination as per Form-21 of all the workers/employees through authorized diagnostic center and we also organize health camps on BP/Sugar, Eye checkup at regular intervals.

13. Number of Complaints on the following made by employees and workers

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	--	NIL	NIL	--
Health & Safety	NIL	NIL	--	NIL	NIL	--

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices*	100%
Working Conditions#	100%

* Assessment has been done by Mr. Ramesh Kumar Patel (Competent Person under CG Labor Department)

Assessment has been done by M/s Arvind Industrial Hygiene (Competent Person under C.G. Labour Department)

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- All safety related accidents are investigated and learning's from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of corrective action deployment is checked during Safety Audits.
- Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through

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elimination of manual job through use of Technology/Digitization, Safety Capability Building, Monitoring and supervision, etc.

- Based on the reports of health check-up camps, counseling of workers/employee is done from time to time and in required cases, suitable/proper medical check-up of the worker/employee is done.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

- Employees – Yes
- Workers - Yes

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The contracts / work orders issued by the Company incorporates statutory provisions including payment and deduction of statutory dues such as Goods and Services Tax, Provident Fund, Employee State Insurance, etc. The suppliers / contractors are responsible for adherence to various statutes required for their operations, whilst the Company is responsible as a principal employer. Non-compliance attracts actions required under law and penalties as per the Company's own policies. In case of contractors, we insist for providing proof of statutory payments being done by them.

- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been /are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes. We support the retired employee for advisory roles and also support other employees to get suitable job, except in case of serious disciplinary action

- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	--
Working Conditions	--

The company assesses its value chain partners who work within the premises of the Company.

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Please refer clause 15 of this principal

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity

Stakeholders play an important role to maintain sustainable operations of the organization. The Company

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maintains a dynamic and strategic stakeholder engagement process where it identifies key stakeholder groups from the larger universe of all possible stakeholders. This is done after considering the material influence each group has on the Company's ability to create value (and vice-versa).

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Key Stake holders	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and Regulatory Authorities	No	Regular filings, submissions, meetings, Regulatory audits/ inspections	As and when required	Discussions with regard to various regulations, tax matters, inspections, approvals, assessments and compliances.
Investors / Shareholders	No	Analyst meets, conference calls, Annual General Meeting, Official communication channels: Advertisements, publications, website, plant visits by analysts	Quarterly/ Annually/as and when required	Equitable reach to the information and developments with transparency to enable them to take a considered call.
Employees	No	Intranet portal, Emails and meetings, Training programs, Performance appraisal, Grievance redressal mechanisms, Notice boards	Intranet – Daily / event based Emails – As and when required	To keep employees abreast of key developments happening in the company and also addressing their grievances
Customers	No	Customer meets, Official communication channels: Advertisements, publications, website, conferences events, Phone calls, emails and meetings.	Frequent and as and when required	To acquire new customers and service the existing ones. Grievance redressal.
Institutions & Industry Bodies	No	Networking through meetings, brainstorming sessions, discussions, etc.	As and when required	To discuss points of common interest and to interact with Regulators
Communities and Civil Society	No	Need assessment, meetings and briefings, Partnerships in community development projects, Training and workshops, Impact assessment surveys, Official communication channels: Advertisements, publications, website, Complaints and grievance mechanism	Frequent and as when required	Community development through CSR projects. Impact assessment of our business. Upliftment of downtrodden.

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Key Stake holders	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	Vendor assessment and review, seminars, Official communication channels, Exhibitions, Advertisements, publications, website	As and when required	To make that part of our growth journey, new vendor / product development, Technical support, Grievance redressal

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has delegated the consultation between the stakeholders and the Board on economic, environmental, and social topics to the Jt. Managing Director (JMD) of the Company. The JMD and the senior management team of the Company regularly updates the Chairman & Managing Director, Board and various Board Committees on relevant issues. These updates are provided during the Board meetings and separate meetings of various Board Committees.

The Company has put in place processes which ensure feedback from key stakeholders are received by the management and presented to the Board and Board committees in their meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. The Company engages with various stakeholders in helping to ensure that every group's expectations are heard. Social development activities are carried which provides opportunities to communities for their holistic and inclusive development. The CSR activities of the Company focuses on largely on healthcare and quality education. Through continuous and purposeful engagement with the local communities, we work towards creating a value-based and empowered society. The CSR activities also collaborate with communities to facilitate them overcome various livelihood challenges and skill development opportunities. The various evolving aspects of ESG makes it a learning phase and hence stakeholder interactions remain vital for the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The villagers in remote and non-approachable areas are deprived of basic healthcare and basic education facility. Our Company has supported NGOs for 50 schools operating in such areas. We are also operating mobile hospitals with free medicines for such deprived / marginalised groups. We also support such groups for livelihood / alternate source of income through micro businesses such as tailoring, dairy farming, home-made food product through training and financial support.

PRINCIPLE 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

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Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (A)	No. of employees/workers covered (B)	% (B / A)
EMPLOYEES						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Employees	NIL	NIL	NIL	NIL	NIL	NIL
WORKERS						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Employees	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C/A)		No. (E)	% (E / D)	No. (F)	% (F/D)
Employees										
Male	1063	--	--	1063	100%	1024	--	--	1024	100%
Female	10	--	--	10	100%	7	--	--	7	100%
Other Than Permanent	--	--	--	--	--	--	--	--	--	--
Workers										
Male	425	--	--	425	100 %	408	--	--	408	100 %
Female	1	--	--	1	100 %	1	--	--	1	100 %
Other Than Permanent										
Male	1925	1843	95.74	82	4.26%	3442	3370	97.91	72	2.09%
Female	--	--	--	--	--	--	--	--	--	--

3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	7	13,70,000	1	11,60,000
Key Managerial Personnel	1	22,99,992	-	-
Employees other than BoD and KMP	1,059	4,78,868	10	4,20,000
Workers	425	3,01,109	-	-

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

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Yes, Human rights is a sensitive issue and the Company has zero tolerance to Human Rights violation. Human Rights is one of the key focus areas for the Company. For any Human Rights violation, whenever reported, shall be investigated by Head HR reporting directly to Jt. Managing Director.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has put in place a grievance redressal process for investigation of employee concerns and has in place various rules which clearly mentions employee responsibilities and acceptable employee conduct. All employees can register their grievances with the HR department. The issue once registered is duly addressed by the HR department.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NIL	NIL	NIL	NIL
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other Human Rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company has formed a Whistle Blower Policy which contains sufficient safeguards to prevent adverse consequences to the complainant.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The business agreements and contracts do include Company's expectations to promote sustainability, fair competition and respect for human rights.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% Company's plant and offices are assessed for compliance on human rights issues by internal team.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risks or concerns arose from the Assessments

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Not required.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

None

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3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, at identified places. Will be extended to other places.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	We ensure human rights compliance on all the tabulated parameters in case of contractors working inside our premises. No assessment done for other value chain partners. As such % coverage would be insignificant.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No significant risks or concerns arose from the Assessments

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) **	192300.48 GJ	4017.6 GJ
Total fuel consumption (B) ***	16514445.95 GJ	15836435.65 GJ
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	16706746.43 GJ	15840453.25 GJ
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.00055 GJ/Rs	0.00060 GJ/Rs
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

** Total Electricity consumption means Total Electrical Energy (Import – Export), considering grid energy input as 860 Kcal / KWH

*** All the captive power generation and its use in plant has been counted in energy received from burning of coal

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency w.r.t. energy consumption.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Yes, our manufacturing facility is identified as DC for PAT CYCLE – VII A. Target set under PAT scheme – 0.5802 TOE/Tonne

Assessment Year – FY- 2024-25

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3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	28,47,594	28,62,313
(ii) Ground water	1,28,919	1,83,236
(iii) Third party water	61,204	26,771
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	30,37,717	30,72,320
Total volume of water consumption (in kilolitres)	30,37,717	30,72,320
Water intensity per rupee of Turnover (Water consumed / turnover)	0.101	0.116
Water intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assessment has been carried out by Technischer Überwachungsverein (TUV)

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company recognizes the need for the efficient management of water resources within and outside its operating sites. Efforts are made to increase water use efficiency, while also ensuring its availability for all stakeholders. All plants are based on the principle of 'ZERO LIQUID DISCHARGE'. Waste water is treated and recycled in the water use cycle or diverted for horticulture / dust suppression use.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Tonnes/day	1.96	2.1
SOx	Tonnes/day	3.53	3.86
Particulate matter (PM)	Tonnes/day	0.62	0.67
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others–please specify	NA	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency w.r.t. air emissions.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)			
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)			
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Not yet assessed

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Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency w.r.t. greenhouse gas emissions.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, The Company has done extensive plantation in and around the plant premises and takes very possible efforts/step to reduce emissions. The Company is using e-rickshaws, e-scooters and e-vehicles for movement of personnel. The Company is also taking steps for installation of solar power plant for energy consumption. It is also proposed to use e-trucks for internal movement of material. The company is replacing conventional lighting system with LED lights and all new lighting systems are LED only. All new motors for drive operations being installed are energy efficient motors (IEEE). The reciprocating compressors have been replaced with Screw Compressors to save energy.

8. Provide details related to waste management by the entity, in the following format

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1.29	0.79
E-waste (B)	4.90	0
Bio-medical waste (C)	0.00816	0.00614
Construction and demolition waste (D)	NA	NA
Battery waste (E)	21.5	12.54
Radioactive waste (F)	0	0
Other Hazardous waste. Please Specify, if any. (G)		
1. Used Oil / Greases	25.93	17.45
2. Spent iron exchange resin containing toxic metal	0.18	0
3. Exhaust Air or Gas cleaning residue (Coal tar from gasifier)	1893.07	484.87
4. Residue or sludge Containing phenol (Phenolic water)	306.66	118.2
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	519969.76	482326.00
Total (A+B + C + D + E + F + G + H)	522223.30	482959.86
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	6742.00	6091.00
(ii) Re-used	292934.38	296834.66
(iii) Other recovery operations	0	0
Total	299676.38	302925.66
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Land filling	0	0
(iii) Other disposal operations	222546.92	180034.20
Total	222546.92	180034.20

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

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9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company has promoted waste management practices aimed to achieve maximum waste utilization / recycling for sustainable and responsible business operation. The major waste stream at Power Plant is ash (fly ash +bottom ash) and the Company has achieved 100% fly ash utilization in FY23. The slag generated in production of steel and ferro alloys is also used in brick making and road construction.

Hazardous waste	
Tarry residues waste	Sold to Authorized Vender/Recycler & Co-processing in cement kiln
Used / Spent Oil	Sold to Authorized Vender/Recycler
Spent iron exchange resin containing toxic metal	Utilization for energy recovery in boiler for steam or power generation / Utilization for energy recovery in direct recovery in direct reduced iron (DRI) kiln of sponge iron within premises / Co processing in cement plant
Non Hazardous waste	
Char & Dolochar	The Dolochar is used as fuel in our power plant for power generation. The balance amount of Dolochar is sold to the various parties. Char is also sold to the various parties. No dumping or storage of Char/Dolochar is practiced.
Dust collected from Pollution Control Units	ESP dust of WHRB is being utilized in our bricks plant. Dust generated from various bag houses in the plant is also being used for making of bricks, tiles, blocks, etc. within the plant premises.
Fly ash and bottom ash	The fly ash is being utilized for bricks, tiles, blocks etc. and is also sold to cement plants. Small quantity of ash was used for land filling purpose.
Dust from Pollution Control Equipments	Mixed with fly ash and utilized for Bricks manufacturing.
Slag from process Ferro Manganese Silico-Manganese;	We are producing both Ferro Manganese and Silico-Manganese; the Ferro Manganese slag is being utilized as raw material for production of Silico-Manganese in the Ferro Alloys Plant. The slag generated from Silico-Manganese production, is being utilized for making bricks, blocks and tiles. Slag is generated from process after fusion. It is transferred by gravity, thereafter quenching for cooling. Slag is also regularly lifted by local road contractor.
Non Hazardous waste	
Dust from FD Cooler along with Bag Filter	Dust is being used for making of fly ash bricks, block, tiles etc.
Slag	The Slag is crushed and magnetic slag is separated for recycling in steel making. Residue is used in brick making as replacement of sand / sold in the market.
Mill Scale	Recycled for recovery of iron in manufacturing process.
End Cutting / Misrole (Cobble)	Used as a raw material for our Induction Furnaces.
Hot Out	Reused in the Rolling Mill

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable.

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11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
0.6 MTPA Sahapur West UG coal Mine Project, (M.P.)	EIA notification 2006 and as amended	S.O. 1533 (E) 14th September 2006 and various amendments	Yes	Yes	https://parivesh.nic.in
1.8 MTPA Gale Palma, IV/7 Coal Mine Project, Raigarh (C.G.)	EIA notification 2006 and as amended	S.O. 1533 (E) 14th September 2006 and various amendments	Yes	Yes	https://parivesh.nic.in

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules there under (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, all plants of SEML are, as on date, compliant with applicable environmental laws/ regulations and guidelines. All relevant clearances/permissions are in place for all the plants.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	0.585 GJ	0.609 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	0.585 GJ	0.609 GJ
From non-renewable sources		
Total electricity consumption (D) [§]	192300.48 GJ	4017.6 GJ
Total fuel consumption (E) [^]	16514445.95 GJ	15836435.65 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	16706746.43 GJ	15840453.25 GJ

§ Total Electricity consumption means Total Electrical Energy (Import – Export), considering grid energy input as 860 Kcal / KWH

^ All the captive power generation and its use in plant has been counted in energy received from burning of coal

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency.

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2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. Independent assessment has been carried out by Technischer Überwachungsverein (TUV)

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:

The plant of the Company is not located in water stress area.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)			
Total Scope 3 emissions per rupee of turnover		Not yet assessed	
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment has been carried out by external agency w.r.t. greenhouse gas emissions.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

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Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	ESP Field extension IN FBC-03	Two field has been added along with 3 nos existing field. By addition of two field collection area and retention time had been increased. New field is having IGBT for better control.	Dust level in flue gas has reduced from 75mg/NM3 to < 30 mg/NM3
2	ESP modification in Pellet plant	Field no 1 & 2 panel replaced with HF IGBT panel instead of SCR panel. Field no 3 & 4 panel retrofit with 'R' type controller instead of Presicon III type controller.	Dust level in flue gas has reduced from 50 mg/nm3 to 30 mg/nm3.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has business continuity and disaster management plan having well-defined parameters to ensure Business continuity. Those parameters are tested at frequent intervals and upgraded wherever required. The company has also taken suitable insurance cover to safeguard its interest in exigent cases. The main objective of business continuity parameters is to ensure business continuity under disruptive incidents with an aim to minimize impact on continuity of business, human life and other living beings, environment, stakeholders and economic loss.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not evaluated

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact.

Not evaluated

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

19

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Entrepreneurs Organization (EO)	International
2	Confederation of Indian Industries (CII)	National
3	Federation of Indian Chamber of Commerce & Industries (FICCI)	National
4	ASSOCHAM	National
5	Pellet Manufacturer's Association of India (PMAI)	National
6	Sponge Iron Manufacturer Association (SIMA)	National
7	Indian Ferro Alloys Producers' Association (IFAPA)	National
8	Chhattisgarh Sponge Iron Manufacturer Association	State
9	Chhattisgarh Steel Re-Rollers Association	State
10	Urla Industrial Association (UIA)	State

Business Responsibility & Sustainability Report

- Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No adverse orders received from regulatory authorities for anti-competitive conduct.

Leadership Indicators

- Details of public policy positions advocated by the entity

SI No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (annually /Half yearly/ Quarterly/other please specify)	Web link, if available
None					

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
NIL					

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Not applicable

- Describe the mechanisms to receive and redress grievances of the community.

The grievance could be mailed or delivered to surendra.kl@seml.co.in. The grievance could also be sent to plant in-charge who will handle the same. The grievances received are escalated to the appropriate level depending on the nature of the grievance, its complexity and impact. The grievances so received with solution is reviewed by the management at the highest level.

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	4.22	5.24
Sourced directly from within the district and neighbouring districts	44.73	55.92

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable.

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	CG	Kabirdham (CG)	57,40,000.00

Business Responsibility & Sustainability Report

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)
No, we do not have a policy on this as yet.
- b. From which marginalized /vulnerable groups do you procure?
Not Applicable
- c. What percentage of total procurement (by value) does it constitute?
Not Applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	NIL	--	--	--

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Project	% of beneficiaries from vulnerable and marginalized group
1	Education Project	735	40%
2	Health Care Project	14254	43%
3	Infrastructure Project	55689	69%
4	Art, Culture & Sport	27632	45%
5	Livelihood Projects	585	23%

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
All grievances could be submitted to the Head of Product marketing. The marketing team handles the grievances in a timely and appropriate manner. All such complaints and redressal are reviewed by the management at the highest level.
2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

	As a percentage of turn over
Environmental and social parameters relevant to the product	The Company's products do not have any mandatory labelling requirements. As such the products do not carry these information.
Safe and responsible usage	
Recycling and/or safe disposal	

Business Responsibility & Sustainability Report

3. Number of consumer complaints in respect of the following:

Category	FY-22-23			FY-21-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for Recall
Voluntary Recall	NIL	Not Applicable
Forced Recall	NIL	Not Applicable

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. Risk Management Policy of the Company covers cyber security aspects. The policy can be accessed at <https://www.seml.co.in/Corporate%20Governance/SEML%20-%20Risk%20Management%20Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No action required.

Leadership Indicators

1. Channels/platforms where information on product and services of the entity can be accessed (provide weblink, if available).

All information regarding business of the Company can be accessed through the Company's website www.seml.co.in and in its periodic disclosures such as the annual report and the integrated report. – Link - <https://seml.co.in/products.php>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not Applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We are not dealing in essential services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

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.

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.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact - **None**

b. Percentage of data breaches involving personally identifiable information of customers – **Not Applicable**

Standalone Financial Statements

Independent

Auditor's Report

TO THE MEMBERS OF SARDA ENERGY & MINERALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SARDA ENERGY & MINERALS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2023, 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, 2023 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 judgement, 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 Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the 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,

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Auditor's Report

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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 judgement 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.

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Auditor's Report

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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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.

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Auditor's Report

- 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 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.
- i) As stated in Note 53 to the standalone financial statements
 - (a) No final dividend proposed in the previous year, declared and paid by the Company during the year, therefore reporting under this clause is not applicable.
 - (b) As the company has not paid and declared any interim dividend during the year and upto the date of our report, therefore, this clause is not applicable.
 - (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
 - j) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1st April, 2023, reporting under this clause is not applicable.

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

Sanjay Singhania
Partner

Membership No.076961
UDIN: 23076961BGWSJA4401

Raipur, 27th May, 2023

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, 2023 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 ₹496.11 Crore to the subsidiaries and the balance outstanding with respect to such loans and security provided at the balance sheet date in case of subsidiaries is ₹355.80 Crore and ₹51.64 Crores respectively.
 - B) The aggregate amount of loan given during the year ₹389.93 Crores 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 ₹286.04 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.

Annexure 'A'

to the Independent Auditor's Report

- (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.
- (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 or with specific terms & condition to promoters, related parties during the year as defined in Clause (76) of Section 2 of the Companies Act, 2013. (₹ in Crore)

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans or advances in the nature of loan repayable on demand/specific terms & condition	886.04	337.12	502.92
Percentage of loans or advances in the nature of loan to the total loan	100%	38.05%	56.76%

- 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, 2023 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, 2023 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	Mar 1986 to Oct 1988	At M.P. High Court
Central Excise Act, 1944	Excise Duty	0.08	Mar 1989 to Aug 1989	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty Penalty	0.46 0.14	2016-17	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty Penalty	7.47 8.09	2015-16	Customs Excise & Service Tax Appellate Tribunal

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
Central Excise Act, 1944	Excise Duty Penalty	0.24 0.27	Mar 2015 to June 2017	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 Penalty	0.11 0.12	2015-16 to 2016-17	Customs Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.46	Aug 2010 to Sept 2011	Commissioner (Appeals)
Custom Act, 1962	Custom Duty	0.20	May 2016	Customs Excise & Service Tax Appellate Tribunal
Central Sales Tax Act & Sales Tax Acts of Various states and Entry Tax Act, 1976	Value Added Tax, Central sales tax and Entry tax.	8.49	2006-07 to 2013-14	Appellate Authorities upto Commissioner and High Court level
Income Tax Act, 1961	Income Tax	2.68	A.Y. 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	4.71	A.Y. 2018-19	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	0.88	A.Y. 2020-21	Commissioner of Income Tax (Appeal)
Chhatisgarh Upkar Adhiniyam, 1981	Energy Development Cess	80.63	May 2006 to March 2023	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.

Annexure 'A'

to the Independent Auditor's Report

- 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.
- 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 also in 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 realisation 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: 23076961BGWSJA4401

Raipur, 27th May, 2023

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, 2023 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

Annexure 'A'

to the Independent Auditor's Report

deteriorate.

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, 2023, 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 **O P Singhanian & Co.**
(ICAI Firm Regn. No.002172C)
Chartered Accountants

Sanjay Singhanian
Partner

Membership No.076961
UDIN: 23076961BGWSJA4401

Raipur, 27th May, 2023

Standalone Balance Sheet

as at 31st March, 2023

(₹ in Crore)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment		519.77	511.49
(b) Capital work-in-progress	2	27.64	67.90
(c) Investment Property		38.01	38.39
(d) Other Intangible Assets		37.69	39.29
(e) Financial Assets			
(i) Investments	3	891.01	887.16
(ii) Loans	4 (a)	199.73	184.51
(iii) Other Financial Assets	4 (b)	0.24	1.00
(f) Other Non-current Assets	5	57.95	65.98
		1,772.04	1,795.72
(2) Current Assets			
(a) Inventories	6	548.88	429.13
(b) Financial Assets			
(i) Investments	7	210.57	274.03
(ii) Trade receivables	8	90.44	92.83
(iii) Bank, Cash & cash equivalents	9	2.32	14.58
(iv) Bank balances other than (iii) above	10	238.46	8.85
(v) Loans	11 (a)	442.11	380.93
(vi) Other Financial Assets	11 (b)	19.64	3.85
(c) Other current Assets	12	179.82	175.10
		1,732.24	1,379.30
TOTAL ASSETS		3,504.28	3,175.02
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13 (a)	35.24	36.05
(b) Other Equity	13 (b)	3,067.48	2,606.69
Total Equity		3,102.72	2,642.74
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	82.73	142.84
(ii) Other financial liabilities	15	3.11	3.17
(b) Provisions	16	30.94	30.42
(c) Deferred tax liabilities (Net)	17	39.58	47.60
		156.36	224.03
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	56.22	27.69
(ii) Trade Payables	19		
(a) Total outstanding dues of micro and small enterprises		3.49	5.20
(b) Total outstanding dues of creditors other than micro and small enterprises		51.57	136.83
(iii) Other financial liabilities	20	82.27	90.55
(b) Other current liabilities	21	46.97	38.60
(c) Provisions	22	1.00	1.54
(d) Current tax liabilities (net)		3.68	7.84
		245.20	308.25
TOTAL EQUITY AND LIABILITIES		3,504.28	3,175.02

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

27th May, 2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May, 2023

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, 2023

(₹ in Crore)

	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
I. Revenue from operations	23	3,020.45	2,641.95
II. Other income	24	87.24	74.86
III. Total Revenue (I + II)		3,107.69	2,716.81
IV. Expenses:			
Cost of materials consumed	25	1,719.83	1,461.35
Purchases of Stock-in-Trade		89.88	54.10
Changes in inventories of finished goods, semi-finished goods and Stock-in-Trade	26	(20.91)	(48.87)
Employee benefits expense	27	94.69	81.95
Finance costs	29	15.95	22.42
Depreciation and amortization expense	2	65.89	53.57
Other expenses	30	295.59	215.72
Total Expenses		2,260.92	1,840.24
V. Profit Before Tax (III- IV)		846.77	876.57
VI. Tax expense:			
(1) Current tax		216.36	216.75
(2) Deferred tax		(8.00)	0.05
VII. Profit for the period (V- VI)		638.41	659.77
Other comprehensive income for the year, net of tax	33		
Items that will not be reclassified to profit or loss		(0.56)	(0.86)
Income tax relating to items that will not be reclassified to profit or loss		0.02	(0.08)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		637.87	658.82
VIII. Earnings per equity share:	32		
Basic		180.18	183.02
Diluted		180.18	183.02

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

27th May,2023

K. K. Sarda

Chairman &
Managing Director

DIN: 00008170

Raipur

27th May,2023

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, 2023

(₹ in Crore)

a. Equity Share Capital

For the year ended 31st March 2022	Balance at 1st April, 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 31st March, 2022
	36.05	-	36.05	-	36.05
For the year ended 31st March 2023	Balance at 1st April, 2022	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 31st March, 2023
	36.05	-	36.05	(0.81)	35.24

b. Other Equity

	Reserves and Surplus					OCI	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	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

Particulars	Reserves and Surplus					OCI	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income	
Balance as of 1st April, 2022	4.05	194.01	-	171.83	2,236.40	0.40	2,606.69
On account of buy back of equity shares			0.81	(150.86)			(150.05)
Other Comprehensive Income					(0.53)		(0.54)
Profit for the year					638.41		638.41
Dividends					(27.04)		(27.04)
Balance as of 31st March, 2023	4.05	194.01	0.81	20.97	2,847.24	0.40	3,067.48

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

27th May, 2023

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27th May, 2023

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Wholtime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Crore)

	Year ended 31.03.2023	Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	846.77	876.57
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	65.89	53.57
Finance Costs	15.95	22.42
Exchange differences on translation of assets and liabilities	(0.42)	(0.15)
Loss pertaining to scraping of assets	0.33	1.18
Allowance/(Reversal) for credit losses on financial assets	0.14	(0.07)
Interest Income	(66.59)	(39.97)
Corporate Guarantee Commission	(0.39)	(0.39)
Net (Gain)/Loss on investments pertaining to Fair valuation	25.49	(6.99)
Dividend income	(21.74)	(0.53)
(Profit) / Loss on sale of investments	(2.36)	(0.99)
(Profit) / Loss on sale of PPE	(2.17)	(0.28)
Share of (Profit)/loss in Partnership Firm	(17.82)	(24.07)
Coal Mining Assets written off	0.30	-
Operating Profit Before Working Capital Changes	843.38	880.30
Changes in assets and liabilities		
Trade Receivables	2.56	(14.48)
Inventories	(119.75)	4.19
Trade Payables	(86.86)	(22.52)
Loans and advances and other assets	(36.80)	(119.59)
Liabilities and provisions	(0.52)	70.31
	602.01	798.21
Income Tax Paid	(222.15)	(212.97)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	379.86	585.24
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Investment in PPE including capital advances	(21.73)	(146.34)
Sale proceeds of PPE	2.67	1.89
Investment made in Subsidiaries	14.35	(42.30)
Investment in FDR (made)/Liquidated	(229.49)	(8.08)
Other Investments (made)/liquidated	64.30	(173.85)
Loan/Interest repaid by/(given) to Subsidiaries	(69.61)	(134.97)
Loan/Interest repaid by/(given) to Others	52.95	79.31
Interest Received	-	6.05
Dividend received	21.74	0.53
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(164.82)	(417.76)

Standalone Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Crore)

	Year ended 31.03.2023	Year ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Payments for Buy Back of shares	(151.67)	-
Repayment of long term borrowings	(60.13)	(75.29)
Short term borrowings (net)	28.52	(24.14)
Finance cost	(16.98)	(29.12)
Dividend paid	(27.04)	(27.04)
NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES	(227.30)	(155.59)
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	(12.26)	11.89
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(12.26)	11.89
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	14.58	2.69
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2.32	14.58
Supplementary Information:		
Restricted Cash Balance	0.89	0.77
Increase/(decrease) in Cash and Cash equivalents	(12.25)	11.89

Notes:

	Year ended 31.03.2023	Year ended 31.03.2022
a. Cash and cash equivalent include the following :		
Cash on Hand	0.15	0.18
Balances with Scheduled banks	2.17	14.40
	2.32	14.58

(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

	As at 01.04.2022	Cash Flow		Non-cash changes		As at 31.03.2023
		Proceeds	Repayments	Fair value changes	Classification changes	
Long Term Borrowings	170.53	-	(60.11)	-	(27.69)	82.73
Short Term Borrowings		28.53		-	27.69	56.22

(c) Figures in brackets represent outflows.

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

27th May, 2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May, 2023

P. K. Jain

Wholtime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

For and on Behalf of the Board

Notes

to standalone financial statements for the year ended 31st March, 2023

1 Company Overview

The Company has integrated steel manufacturing facility starting from iron ore mining, coal 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

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 judgements, 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 the sale of products is recognized when the entity satisfies a performance obligation by transferring a promised good or service to a customer at an amount as specified in the contract.
- Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation. (For the purpose of determining the transaction price, an entity shall assume that the goods or services will be transferred to the customer as promised in accordance with the existing contract) The transaction price of goods sold and services provided is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract; revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved
- Revenue from the sale of products is recognized when the control of the goods has been transferred to the customer as specified in the contract. Revenue is recognized for variable considerations such as discounts, rebates, refunds, credits, price concessions, incentives, GST, in a contract when they are highly probable to be provided which is when significant risks and rewards of ownership pass to the customer. The amount of revenue excludes any amount collected on behalf of third parties
- Revenue from the sale of power is recognized when the services are transferred to the customer at the amount specified for transferring promised goods and are measured based on bilateral contractual agreements. The Company doesn't recognize revenue for the cost incurred in the past that will be recovered.

Notes

to standalone financial statements for the year ended 31st March, 2023

Other operating revenue:

- Revenue from the 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 collection from buyers.
- Export incentives and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions and the incentive will be received. Export benefits available are accounted for in the year of export.

Contract Balances

- Refund liability is recognized if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer. Refund liability is calculated as the sum of the consideration received (or payable) for which the entity does not anticipate being entitled (i.e., sums not included in the transaction price).
- A receivable is recognized when the goods are delivered and to the extent that it has an unconditional contractual right to receive cash or other financial assets.
- A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract including Advance received from the Customer.
- Government grants/ subsidies are recognized at fair value where there is reasonable certainty that the grant /subsidy will be received and all attached conditions will be complied with.

1.5.2 Other income

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.

Operations and maintenance income

Income arising from billing of maintenance charges is recognized in the period in which the services 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/ amortisation 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.

Notes

to standalone financial statements for the year ended 31st March, 2023

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/statute.

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 and 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 cost 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 of the 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.

Notes

to standalone financial statements for the year ended 31st March, 2023

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 fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

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

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

As a lessor

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

1.5.8 Inventory

- i) Stores and Spares are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower.
- ii) Raw Materials are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower. However, raw materials held for use in the production of inventories are not

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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 labour 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 of 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

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

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(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.

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 amortised cost:

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

Offsetting of financial instrument

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

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1.5.10 Investments

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

1.5.11 Trade receivables

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

1.5.12 Loans and borrowings

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

1.5.13 Trade and other payables

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

1.5.14 Derivatives

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

1.5.15 Impairment

a) Financial assets

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

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

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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.

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

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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 judgement of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.5.19 Cash and cash equivalents

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

1.5.20 Foreign currency transactions

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

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

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

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

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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 judgements 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 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.

1.5.25 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.

1.5.26 New and Amended Standards:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the existing Ind AS viz. Ind AS 37, 103, 16, 101, 109 & 41. There is no such impact of amendments which would have been applicable from 1st April, 2022.

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RECENT PRONOUNCEMENTS:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

1.5.27 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.

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(₹ in Crore)

Note 2 : PROPERTY, PLANT & EQUIPMENT

	Gross Block				Depreciation				Net Block	
	As on 01.04.2022	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	8.96	-	-	8.96	-	-	-	-	8.96	8.96
Leasehold Land	26.67	-	6.42	20.25	0.80	0.70	-	1.50	18.75	25.87
Building	160.73	7.33	1.76	166.30	53.90	9.52	0.10	63.32	102.98	106.83
Plant & Machinery	631.12	69.30	3.64	696.78	267.05	51.30	1.39	316.96	379.82	364.07
Furniture, Fixture & Equipment	9.02	0.98	0.12	9.88	6.12	1.33	0.12	7.33	2.55	2.90
Vehicles	7.33	5.12	0.34	12.11	4.47	1.18	0.25	5.40	6.71	2.86
	843.83	82.73	12.28	914.28	332.34	64.03	1.86	394.50	519.77	511.49

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

As at 31st March 2023

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	10.54	17.10	-	-	27.64
	10.54	17.10	-	-	27.64

(iii) 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	-	0.30	67.90
	56.94	10.66	-	0.30	67.90

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 01.04.2022	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land-IP	26.02	-	-	26.02	-	-	-	-	26.02	26.02
Building- IP	13.93	-	0.20	13.73	1.56	0.26	0.08	1.74	11.99	12.37
	39.95	-	0.20	39.75	1.56	0.26	0.08	1.74	38.01	38.39

Amount recognized in profit & loss for investment properties:

	31.03.2023	31.03.2022
Rental Income (Included in non-operating income)	0.20	0.20
Other expenses related to investment Properties	0.04	0.04
Profit from Investment Properties before depreciation	0.16	0.16
Depreciation	0.26	0.26
Profit/(Loss) from Investment Properties	(0.10)	(0.10)

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(₹ in Crore)

Other Intangible Assets

	Gross Block				Depreciation				Net Block		
	As on 01.04.2022	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022	
Software	2.38	-	-	2.38	1.59	0.18	-	1.77	0.61	0.79	
Mining Rights & Development	40.10	-	-	40.10	1.60	1.42	-	3.02	37.08	38.50	
	42.48	-	-	42.48	3.19	1.60	-	4.79	37.69	39.29	

(i) 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.

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 capitalisation providing in range)	Reason for not not being held in the name of Company
Building	0.30	Chhattisgarh Electricity Company Limited	No	Aug-07	For certain properties acquired through amalgamation/meger, the name change in the name of company is pending
Building	0.06	Chhattisgarh Electricity Company Limited	No	Aug-07	

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 31.03.2021	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 & Equipments	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	332.354	511.49	480.78

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	
Building- IP	13.76	0.17	-	13.93	1.29	0.27	-	1.56	12.37	12.47	
	45.82	0.17	6.04	39.95	1.29	0.26	-	1.56	38.39	44.53	

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(₹ in Crore)

Amount recognized in profit & loss for investment properties:

	31.03.2022	31.03.2021
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)

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
Software	2.23	0.15	-	2.38	1.42	0.17	-	1.59	0.79	0.81
Mining Rights & Development	3.08	37.02	-	40.10	1.12	0.49	-	1.60	38.50	1.97
	5.31	37.17	-	42.48	2.54	0.65	-	3.19	39.29	2.78

(i) 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.

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 capitilisation 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/meger, the name change in the name of company is pending
Building	0.06	Chhattisgarh Electricity Company Limited	No	Aug-07	

		As at 31st March 2023	As at 31st March 2022
Note 3 : NON CURRENT ASSETS - FINANCIAL ASSETS-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 HKD 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	213.48	213.05
(e)	18,60,65,080 (P.Y. 18,60,65,080) Equity Shares of Madhya Bharat Power Corporation Limited of ₹10/- each	460.08	460.09

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

		As at 31st March 2023	As at 31st March 2022
(f)	7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Private Limited of ₹10/- each	7.84	7.84
(g)	5,100 (P.Y. 10,000) Equity Shares of Natural Resources Energy Private Limited of ₹10/- each	0.03	0.06
(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 ₹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	3.58	3.54
(b)	Chattisgarh Hydro Power LLP	94.72	91.30
(c)	Sarda Hydro Power LLP	0.30	0.30
C	In Other companies-Carried at FVTOCI		
	4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited	1.45	1.45
D	Investments in Mutual Funds - Carried at FVTPL		
	1,49,980 units (P.Y. 1,49,980 units) of KBC Mutual Fund	0.25	0.25
		891.01	887.16

	As at 31st March 2023	As at 31st March 2022
Aggregate amount of quoted investment and market value thereof-		
Aggregate book value of investments in Mutual Fund	0.25	0.25
Aggregate market value of investments in Mutual Fund	0.25	0.25
Aggregate value of unquoted investments	890.76	886.90
Investment carried at cost	889.31	885.45
Investment carried at fair value through OCI	1.45	1.45
Investment carried at fair value through Profit & Loss	0.25	0.25

(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 2023	As at 31st March 2022
Note 4(a) : NON CURRENT ASSETS - FINANCIAL ASSETS-LOANS		
(a) Loans and advances to related parties		
Unsecured, considered good	199.73	184.51
	199.73	184.51

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.

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to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

As at 31st March, 2023

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	199.73	100.00%

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 2023	As at 31st March 2022
Note 4(b) : NON CURRENT ASSETS - FINANCIAL ASSETS-OTHER FINANCIAL ASSETS		
Security Deposits		
Unsecured, considered good	0.24	1.00
	0.24	1.00

	As at 31st March 2023	As at 31st March 2022
Note 5 : OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	40.27	50.64
(b) Advances other than capital advances		
Unsecured, considered good		
(i) Security Deposits		
Unsecured, considered good	0.67	0.67
(ii) Other advances		
Unsecured, considered good	8.62	8.62
Advance income tax		
Prepaid expenses	1.02	0.47
Balances with Revenue Authorities	7.37	5.58
	57.95	65.98

	As at 31st March 2023	As at 31st March 2022
Note 6 : INVENTORIES (valued at lower of cost and net realisable value)		
(a) Raw Material	277.23	183.87
(b) Finished / semi finished goods	215.78	194.54
(c) Stock-in-Trade	0.17	0.50
(d) Stores and spares	40.66	37.42
(e) Project under Development	15.04	12.72
(f) Material in Transit	-	0.08
	548.88	429.13

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS		
Investments in Equity Instruments-Carried at FVTPL		
In Other Companies		
32,813 (P.Y. 32,813) Equity Shares of Abhishek Mills Limited	0.00	0.00
19,80,000 (P.Y. 19,80,000) Equity Shares of Canfin Homes Limited	104.78	125.03
3,688 (P.Y. 3,688) Equity Shares of Indian Metals & Ferro Alloys Limited	0.21	0.31
NIL (P.Y.2,21,393) Equity Shares of Godawari Power & Ispat Limited	-	8.56
1,10,861 (P.Y.NIL) Equity Shares of Life Insurance Corporation	5.92	-
Investments in Mutual Funds	4.81	127.70
Investments in Quoted Bonds	61.59	12.43
Investments in Quoted Debentures	33.26	-
	210.57	274.03
Aggregate amount of quoted investment and market value thereof-		
Aggregate book value of quoted investments	110.92	133.89
Aggregate market value of quoted investments	110.92	133.89
Aggregate book value of investments in Mutual Fund, Bonds, Debentures	99.66	140.14
Aggregate market value of investments in Mutual Fund, Bonds, Debentures	99.66	140.14
Investment carried at fair value through Profit & Loss	210.57	274.04

	As at 31st March 2023	As at 31st March 2022
Note 8 : CURRENT ASSETS - FINANCIAL ASSETS-TRADE RECEIVABLES		
Trade receivables considered good - Unsecured	90.44	92.83
Trade receivables which have significant increase in Credit Risk	2.88	2.85
Trade receivable - credit impaired	0.14	0.07
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(3.02)	(2.92)
	90.44	92.83

Outstanding for following period for due of payment as on 31st March 2023

	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	53.17	36.56	0.67	0.04			90.44
Undisputed trade receivables- which have significant increase in Credit Risk				0.19	0.04	2.65	2.88
Undisputed trade receivables- credit impaired						0.14	0.14
Disputed trade receivables- considered good							
Disputed trade receivables- which have significant increase in Credit Risk							
Disputed trade receivables- credit impaired							

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	53.17	36.56	0.67	0.23	0.04	2.79	93.46
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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	91.17	0.88	0.02	0.75			92.82
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							
	91.17	0.88	0.02	0.85	0.11	2.71	95.74

	As at 31st March 2023	As at 31st March 2022
Note 9 : CURRENT ASSET - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS		
Balances with banks		
In current accounts	2.17	12.24
FDR with Bank (Bank Deposits with original maturity up to 3 months)	-	2.16
Cash on hand	0.15	0.18
	2.32	14.58

	As at 31st March 2023	As at 31st March 2022
Note 10 : CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCE OTHER THAN BANK CASH & CASH EQUIVALENTS		
Earmarked Balances In Banks For :		
Unpaid dividend	0.89	0.77
FDR with Bank (With maturity more than 3 months)	237.57	8.08
	238.46	8.85

	As at 31st March 2023	As at 31st March 2022
Note 11(a) : CURRENT ASSETS - FINANCIAL ASSET-LOANS		
(a) Loans and advances to related parties		
Considered good - Unsecured	394.64	327.16
(b) Other loans		
Unsecured, considered good		
(i) Loans to employees	1.40	0.24
(ii) Loans and advances to other parties	46.07	53.53
	442.11	380.93

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 11(b) : CURRENT ASSETS - FINANCIAL ASSET- OTHER FINANCIAL ASSETS		
OTHER FINANCIAL ASSET		
Unsecured, considered good		
(i) Earnest money deposit	8.29	3.70
(ii) Claims & recoverables	11.35	0.15
	19.64	3.85

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, 2023

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	394.64	89.55%

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 2023	As at 31st March 2022
Note 12 : OTHER CURRENT ASSETS		
Advances other than capital advances		
(a) Other Advances		
(i) Employee Advance	0.10	0.02
(ii) Advances to vendors	159.46	169.75
(b) Other Advances		
(i) Advance royalty	16.57	1.05
(ii) Prepaid expenses	2.25	1.76
(iii) Balances with tax authorities	1.43	2.51
(iv) Others	0.01	0.01
	179.82	175.10

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023		As at 31st March 2022	
	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	3,52,38,127	35.24	3,60,49,235	36.05
	3,52,38,127	35.24	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 2023		As at 31st March 2022	
	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 (*)	8,11,108	0.81	-	-
Number of shares outstanding at the end of the period	3,52,38,127	35.24	3,60,49,235	36.05

(*) On account of buyback of shares

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

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	%	Number of shares	%
Chhatisgarh Investments Limited	1,35,97,493	38.59%	1,38,78,760	38.50%
Sarda Agriculture & Properties Private Limited	25,81,867	7.33%	26,35,150	7.31%

E. In the period of five years immediately preceding 31st March 2023, the Group has not issued bonus shares and has not allotted any equity shares. However the Company has bought back 8,11,108 equity shares during the year.

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:

Notes

to standalone financial statements for the year ended 31st March, 2023

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	5,48,455	1.56%	-0.01%
2	Kamal Kishore Rathi	5,831	0.02%	0.00%
3	Aditi Sarda	8,873	0.03%	0.00%
4	Shashi Rathi	18,915	0.05%	0.00%
5	Jugal Kishore Sarda (HUF)	21,100	0.06%	0.00%
6	Aditya Ghanshyam Sarda	1,12,840	0.32%	0.01%
7	Raghav Sarda	1,12,840	0.32%	0.01%
8	CSP Investments (Chhatisgarh Investments Ltd, Sarda Agriculture & Properties Pvt. Ltd., Prachi Agriculture & Properties Pvt. Ltd.)	1,43,937	0.41%	0.00%
9	Vipula Sarda	4,10,639	1.17%	-0.01%
10	Ghanshyam Sarda	6,21,036	1.76%	-0.01%
11	Pankaj Sarda	6,71,441	1.91%	-0.01%
12	Veenadevi Sarda	7,02,350	1.99%	0.04%
13	Manish J Sarda	7,55,216	2.14%	-0.01%
14	Neeraj Sarda	7,55,216	2.14%	-0.01%
15	Anant Sarda	7,85,289	2.23%	-0.01%
16	Uma Sarda - Trustee to K K Sarda Family Trust	9,71,545	2.76%	-0.02%
17	Uma Sarda	12,07,221	3.43%	-0.02%
18	Prachi Agriculture & Properties Privet Limited.	15,65,322	4.44%	0.10%
19	Sarda Agriculture & Properties Privet Limited.	25,81,867	7.33%	0.02%
20	Chhatisgarh Investments Limited.	1,35,97,493	38.59%	0.09%
		2,55,97,426	72.64%	0.14%

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 13(b) : OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
	4.05	4.05
Capital Redemption Reserve		
Balance as per last financial statements	-	-
Addition on account of buy back	0.81	-
	0.81	-
Securities Premium		
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
Less: Utilization for Buy Back of Shares	(150.86)	-
Closing Balance	20.97	171.83

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Retained earnings		
Balance as per last financial statements	2,236.40	1,604.60
Add : Profit for the year	638.41	659.78
Remeasurements of the net defined benefit plans	(0.53)	(0.94)
Equity Dividend	(27.04)	(27.04)
Closing Balance	2,847.24	2,236.40
Other Comprehensive Income		
Equity instruments through Other Comprehensive Income	0.40	0.40
Closing Balance	0.40	0.40
	3,067.48	2,606.69

- (i) During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (ii) Capital Redemption Reserve is created on buy back of equity shares, it is to be utilized in accordance with the provisions of Companies Act, 2013.
- (iii) 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.
- (iv) General Reserve is available for payment of dividend to the shareholders buy back of equity shares as per the provisions of Companies Act, 2013.
- (v) The cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognized in fair value of financial assets. The balance of the reserve represents such changes recognized net off amounts re-classified to retained earnings on disposal of such investments.

	Non-Current Portion		Current Maturities	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Note 14 : NON - CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS				
Term loans (Secured)				
from banks - Indian Rupee Loan	82.73	142.84	51.55	27.69
	82.73	142.84	51.55	27.69

1) Nature of security :

- a) Term Loans from Bank are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.
- b) Besides this, the Term Loan from Banks are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda, Mr Manish Sarda & Mr. Pankaj Sarda.

2) Repayment terms :

- a) Rupee term loan of ₹91.35 crore (Present Outstanding ₹73.00 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.
- b) Rupee term loan of ₹50 crore (Present Outstanding ₹35.50 crore) from Axis Bank Limited, is payable in 16 equal quarterly installments starting from June 2022.

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

- c) Rupee term loan of ₹48.13 crore (Present Outstanding ₹26.25 crore) from HDFC Bank is payable in 20 equal quarterly installments starting from March 2020.

	As at 31st March 2023	As at 31st March 2022
Note 15 : NON - CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit Received		
Deposits from Vendors	3.11	3.17
	3.11	3.17

	As at 31st March 2023	As at 31st March 2022
Note 16 : PROVISIONS		
(a) Provision for employee benefits		
Provision for Leave encashment	3.40	2.88
(b) Others		
Mines restoration expenses	27.54	27.54
	30.94	30.42

	As at 31st March 2023	As at 31st March 2022
Note 17 : DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability / (assets) at the beginning of the year	47.60	47.47
Deferred tax liability / (assets) during the year on account of timing difference	(8.02)	0.13
DEFERRED TAX LIABILITIES / (ASSETS) at the end of the year	39.58	47.60

	As at 31st March 2023	As at 31st March 2022
Note 18 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS		
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	4.67	-
	4.67	-
Current maturities of long term debt (Refer note no.14)	51.55	27.69
	56.22	27.69

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.

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

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 2023	As at 31st March 2022
Note 19 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - TRADE PAYABLE		
Total outstanding dues of Micro Enterprises & Small Enterprises	3.49	5.20
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	51.57	136.83
	55.06	142.03

Trade Payable Ageing schedule for the year ended -

As at 31st March 2023	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	3.49	-	-	-	-	3.49
Others	46.23	2.42	2.10	0.22	0.59	51.56
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Others	-	-	-	-	-	-
	49.72	2.42	2.10	0.22	0.59	55.05

As at 31st March 2022	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	5.20	-	-	-	-	5.20
Other	76.56	59.06	0.39	0.01	0.80	136.82
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Other	-	-	-	-	-	-
	81.76	59.06	0.39	0.01	0.80	142.02

	As at 31st March 2023	As at 31st March 2022
Note 20 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
(a) Interest accrued but not due on borrowings	-	0.09
(b) Deposits from customers	9.59	1.17
(c) Expenses payable	3.84	3.84
(d) Salary & reimbursements	21.85	22.28
(e) Bill discounting	26.24	48.05
(f) Provision for expenses	19.94	14.35
(g) Unpaid Dividends	0.81	0.77
	82.27	90.55

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 21 : OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	14.41	19.17
(b) Deposit from Employees	1.39	0.60
(c) Advances from customers	29.20	16.56
(d) TDS payables	1.97	2.27
	46.97	38.60

	As at 31st March 2023	As at 31st March 2022
Note 22 : PROVISIONS		
Provision for employee benefits		
(a) Provision for gratuity	0.64	1.31
(b) Provision for Leave encashment	0.36	0.23
	1.00	1.54

	2022-23	2021-22
Note 23 : REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	253.16	361.79
Ferro Alloys	707.99	661.86
Steel Billets	156.51	113.75
Wire Rod / HB Wire	992.03	768.65
Pellet	481.09	617.36
Power	-	2.10
Others	418.51	112.61
Other operating revenues	11.16	3.83
	3,020.45	2,641.95

23(i) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses is as below

	2022-23	2021-22
Segment Revenue-		
Steel	2,386.19	1,934.89
Ferro Alloys	745.74	706.22
Power	255.88	221.73
Unallocated	23.17	13.73
	3,410.98	2,876.57
Less: Inter segment revenue	390.53	234.62
	3,020.45	2,641.95

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
Domestic	2,810.15	2,523.33
Exports	210.30	118.62
	3,020.45	2,641.95

	2022-23	2021-22
Timing of revenue recognition		
At a point in time	3,020.45	2,641.95
	3,020.45	2,641.95

	2022-23	2021-22
Assets and liabilities related to contracts with customers		
Contract balances		
Trade Receivables (refer note 8)	90.44	92.83
Contract Liabilities		
Advance from customers (refer note no 21)	29.20	16.56
	119.64	109.39

Trade receivables are non-interest bearing and are generally on terms of advance or credit period ranges of 1 to 90 days. In March 2023, there was a additional provision of ₹0.01 crore (March 2022: ₹0.11 Crore) on account of of the provision for expected credit losses on trade receivables.

Contract liabilities include short-term advances received from customers to deliver manufacturing goods. Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹21.14 Crore (previous year ₹18.00 Crore) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

	2022-23	2021-22
Note 24 : OTHER INCOME		
Interest Income	66.59	39.97
Dividend Income		
From Subsidiaries	21.02	-
From Others	0.72	0.53
Net gain on sale of investments	2.35	0.98
Corporate guarantee commission	0.39	0.39
Fair value gain / (loss) on Financial Instruments at FVTPL	(25.49)	6.99
Share of Profit in Partnership Firm	17.82	24.07
Other non-operating income (net of expenses directly attributable to such income)	3.84	1.93
	87.24	74.86

	2022-23	2021-22
Note 25 : COST OF RAW MATERIAL CONSUMED		
Iron Ore	453.56	592.82
Mn Ore	265.76	193.69
Coal	778.88	524.81
Scrap	210.21	139.34
Other Material	11.42	10.69
	1,719.83	1,461.35

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
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	215.78	194.53
Trading Goods	0.18	0.52
	215.96	195.05
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	194.53	146.02
Trading Goods	0.52	0.16
	195.05	146.18
(Increase)/Decrease in Inventories	(20.91)	(48.87)

	2022-23	2021-22
Note 27 : EMPLOYEE BENEFITS EXPENSE		
Salaries, incentives & Managerial Remuneration	86.25	74.94
Contributions to -		
Provident fund	4.89	3.96
Superannuation scheme	0.33	0.19
Gratuity fund	1.76	1.34
Staff welfare expenses	1.46	1.52
	94.69	81.95

NOTE 28: EMPLOYEE BENEFITS	Gratuity		Leave Encashment	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
(a) : The Results Of The Actuarial Study For The Obligation For Employee Benefits As Computed By The Actuary Are Shown Below:				
Actuarial study analysis				
Principal actuarial assumptions				
Discount rate	7.40%	7.10%	7.40%	7.10%
Range of compensation increase	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	7.40%	7.10%	N/A	N/A
Plan duration	60	60	60	60
Components of statement of income statement charge				
Current service cost	1.42	1.33	0.47	0.35
Interest cost	0.04	0.00	0.22	0.19
Recognition of past service cost	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
Total charged to statement of profit or loss	1.46	1.33	0.69	0.54

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

NOTE 28: EMPLOYEE BENEFITS	Gratuity		Leave Encashment	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Movements in net liability/(asset)				
Net liability at the beginning of the year	1.33	0.48	3.12	2.69
Employer contributions	(2.63)	(1.41)	(0.13)	(0.04)
Total expense recognized in the consolidated statement of profit or loss	1.46	1.33	0.69	0.54
Total amount recognized in OCI	0.48	0.93	0.08	(0.06)
Net liability at the end of the year	0.64	1.33	3.76	3.13
Reconciliation of benefit obligations				
Obligation at start of the year	17.17	14.34	3.12	2.69
Current service cost	1.42	1.33	0.47	0.35
Interest cost	1.22	0.99	0.22	0.19
Benefits paid directly by the Company	(1.00)	(0.55)	(0.13)	(0.04)
Extra payments or expenses/(income)	-	-	-	-
Obligation of past service cost	0.49	1.06	0.08	(0.06)
Actuarial loss	-	-	-	-
Defined benefits obligations at the end of the year	19.30	17.17	3.76	3.13
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	(0.50)	(0.22)	(0.11)	(0.06)
Actuarial gain/(loss) on account of experience adjustments	0.98	1.28	0.18	(0.00)
Actuarial (loss)/gain on plan assets	(0.01)	(0.13)	0.00	(0.00)
Total actuarial gain/(loss) recognized in OCI	0.47	0.93	0.07	(0.06)
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	15.84	13.86	-	-
Interest on plan assets	1.18	0.99	-	-
Contributions made	2.63	1.41	0.13	0.04
Benefits paid	(1.00)	(0.55)	(0.13)	(0.04)
Actuarial (loss)/gain on plan assets	0.01	0.13	-	-
Fair value of plan assets at the end of the year	18.66	15.84	-	-

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.

	Gratuity		Leave Encashment	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Discount rate				
+ 1% discount rate	17.75	15.69	3.44	2.84
- 1% discount rate	21.20	18.90	8.81	3.46
Salary increase				

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to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	Gratuity		Leave Encashment	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022
+ 1% salary growth	21.16	18.90	4.15	3.47
- 1% salary growth	17.74	15.65	3.43	2.83

c) Experience adjustments

	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Defined benefit obligation	19.30	17.17	3.76	3.12
Fair value of plan assets	18.67	15.84	-	-
(Surplus)/deficit in plan assets	0.64	1.33	3.76	3.12
Experience adjustment on plan liabilities	0.98	1.28	0.18	-
Actual return on plan assets less interest on plan assets	0.01	0.13	0.00	-

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

	2022-23	2021-22
Note 29 : FINANCE COSTS		
Interest expense	12.34	13.65
Other borrowing costs	3.61	8.77
	15.95	22.42

	2022-23	2021-22
Note 30 : OTHER EXPENSES		
Stores & Spares Consumption	85.00	69.90
Power	45.76	18.21
Manufacturing Expenses-		
Plant process & services	26.34	20.20
Material handling Expenses	39.47	33.97
Other Manufacturing Expenses	0.14	0.22
Repairs & Maintenance		
Building	3.19	2.78
Plant & Machinery	10.80	8.18
Others	6.88	5.89
Rent	1.60	1.48
Rates & Taxes	17.46	15.45
Insurance Charges	4.30	3.81
Miscellaneous Expenses		
Travelling & Conveyance expenses	5.46	3.99
Legal & Professional Expenses	7.88	5.80
Administrative & Other Expenses	15.33	10.34
Cost of Sales of Real Estate Project	3.27	-
Selling Expenses		
Carriage Outward	20.39	12.98
Selling Commission & Brokerage	5.84	5.23

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to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
Other Selling Expenses	1.30	1.09
Exchange differences (net)	(5.12)	(4.07)
Payment to Auditors	0.30	0.27
	295.59	215.72

	2022-23	2021-22
Note 31 : PAYMENTS TO THE AUDITOR		
As auditor:		
Audit fee	0.26	0.24
Tax audit fee	0.04	0.03
	0.30	0.27

	2022-23	2021-22
Note 32 : EARNINGS PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	638.41	659.78
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	638.41	659.78
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	354.31	360.49
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	354.31	360.49
Basic (₹)	180.18	183.02
Diluted (₹)	180.18	183.02

	2022-23	2021-22
Note 33 : OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(0.56)	(0.86)
(ii) Income tax relating to items that will not be reclassified to profit or loss		
	0.02	(0.08)
	(0.54)	(0.94)

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.

Business Segment Primary

	2022-23				2021-22			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	2,269.84	724.63	2.81	2,997.28	1,934.89	690.04	3.29	2,628.22
Inter segment sales	116.35	21.11	253.07	390.53	16.18	218.44		234.62
Others Unallocated				23.17				13.73

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23				2021-22			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Less: Inter segment sales				390.53				234.62
Total Revenue	2,386.19	745.74	255.88	3,020.45	1,934.89	706.22	221.73	2,641.95
Result								
Segment Result	648.11	167.73	17.66	833.50	634.29	260.55	1.03	895.87
Unallocated Expenses net off unallocated income				24.10				(0.96)
Operating Profit				857.60				894.91
Interest & Forex Fluctuation Loss (Net)				(10.83)				(18.34)
Profit Before Tax & Extraordinary Item				846.77				876.57
Provision for taxation								
For Current Year				216.36				216.75
For Deferred Taxation				(8.00)				0.05
Profit After Taxation				638.41				659.77
Other Information								
Segment Assets	1,057.62	269.68	98.55	1,425.85	970.02	259.63	112.52	1,342.17
Unallocated Assets				2,078.43				1,832.85
Total Assets				3,504.28				3,175.02
Segment Liabilities	201.98	29.62	42.15	273.75	203.89	108.01	38.41	350.31
Unallocated Liabilities				127.80				182.00
Total Liabilities				401.55				532.31
Capital Expenditure	11.39	5.34	7.75	24.48	138.17	12.82	5.60	156.59
Depreciation / Amortization	37.91	12.38	9.97	60.26	31.38	5.92	9.83	47.13
Unallocated Depreciation				5.63				6.44

Note:

- (1) There is no customer having 10% of total revenue.
- (2) No operating segments have been aggregated to from the above reportable operating segments.

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

Notes

to standalone financial statements for the year ended 31st March, 2023

4	Related Enterprises where interest of the company/directors exists	Chhatisgarh Investments Limited Geschaft Formulae India Limited Rishabh Mining & Transport Company Private Limited Sarda Dairy & Food Products Limited Earth Stahl & Alloys Limited Chhattisgarh Metaliks & Alloys Private Limited Raipur Mega Food Park Private Limited
5	Director / Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mr. Padam Kumar Jain (WTD & CFO) Ms. Tripti Sinha 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

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	406.21 (566.89)	89.90 (42.89)	-	337.12 (390.30)	-	-
Loans/Advances Received Back	371.00 (489.84)	46.65 (42.74)	-	371.90 (242.92)	-	-
Loans/Advances Taken	-	46.55 (19.50)	-	-	-	-
Loans/Advances Repaid	-	3.21 (36.07)	-	-	-	-
Material Transferred/Sold	74.32 (48.87)	-	-	2.85 (0.73)	-	-
Materials Purchased	89.98 (21.01)	-	-	0.31 (0.90)	-	-
Interest Received	25.03 (15.05)	1.14 (0.05)	-	18.56 (16.64)	-	-
Interest Paid	0.01 (0.30)	-	-	-	-	-
Commission Paid	-	-	-	-	12.62 (12.74)	-
Dividend Income	21.02	-	-	-	-	-
Remuneration	-	-	-	-	4.27 (3.87)	0.29 (0.12)

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Rent Paid	-	-	-	1.65	-	0.02
	-	-	-	(1.55)	-	(0.02)
Rent Received	-	-	-	-	-	-
	(0.03)	-	-	-	-	-
Services Offered	-	-	0.04	-	-	-
	(0.46)	-	(0.04)	-	-	-
Services Received	-	-	-	2.05	-	-
	-	-	-	(2.19)	-	-
Corporate Guarantee Commission	0.46	-	-	-	-	-
	-	-	-	-	-	-
Investments made/Share application money	0.44	0.03	-	-	-	-
	(60.75)	(5.98)	-	-	-	-
Share of profit	-	17.82	-	-	-	-
	-	(24.07)	-	-	-	-
Investments Reduced	0.03	-	-	-	-	-
	-	-	-	-	-	-

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

Outstanding as at 31.03.2023

	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the company / directors exists	Director / KMP	Relatives of Directors / KMP's
Receivable	323.55	41.33	-	256.32	-	-
	(257.23)	(0.16)	(0.03)	(274.85)	-	-
Corporate Guarantee Outstanding	51.64	-	-	-	-	-
	(51.64)	-	-	-	-	-
Investments	786.78	98.60	3.93	-	-	-
	(786.37)	(95.12)	(3.93)	-	-	-
Payables	0.06	-	-	0.31	12.75	0.08
	-	(3.10)	-	(0.16)	(12.93)	(0.06)

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

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to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	31st March 2023	31st March 2022
Loans/Advances given		
Chhattisgarh Hydro Power LLP	89.90	32.74
Chhatisgarh Investments Limited	337.12	373.55
Madhya Bharat Power Corporation Limited	301.03	311.97
Loans/Advances Received Back		
Chhatisgarh Investments Limited	371.90	242.92
Madhya Bharat Power Corporation Limited	304.93	223.16
Materials Transferred/Sold		
Sarda Metals & Alloys Limited	64.77	36.05
Sarda Energy Limited	9.55	12.82
Materials Received/Purchased		
Sarda Metals & Alloys Limited	80.23	18.10
Sarda Global Trading DMCC	9.75	2.18
Interest Received		
Chhatisgarh Investments Limited	17.19	16.64
Madhya Bharat Power Corporation Limited	19.95	10.04
Interest Paid		
Sarda Metals & Alloys Limited	0.01	0.30
Commission paid		
Mr. Kamal Kishore Sarda	6.25	6.50
Mr. Pankaj Sarda	5.00	5.00
Remuneration Paid		
Mr. Kamal Kishore Sarda	2.19	2.06
Mr. Pankaj Sarda	0.94	0.87
Mr. Padam Kumar Jain	0.82	0.68
Dividend Income		
Sarda Metals & Alloys Limited	21.02	-
Rent Paid		
Chhatisgarh Investments Limited	0.70	0.70
Rishabh Mining & Transport Company Private Limited	0.95	0.85
Rent Received		
Natural Resources Energy Private Limited	-	0.03
Services Offered		
Raipur Infrastructure Company Limited	0.04	0.04
Services Received		
Geschaft Formulae India Private Limited	2.05	2.19
Corporate Guarantee Commission		
Sarda Metals & Alloys Limited	0.46	0.46
Investment Made including Share Application		
Sarda Metals & Alloys Limited	0.44	0.44
Share of Profit		
Chhattisgarh Hydro Power LLP	17.82	24.07

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(₹ in Crore)

	31st March 2023	31st March 2022
Outstanding as on		
Investments		
Sarda Metals & Alloys Limited	213.48	213.05
Madhya Bharat Power Corporation Limited	460.09	460.09
Chhattisgarh Hydro Power LLP	94.72	91.28
Receivables		
Chhattisgarh Investments Limited	238.59	257.90
Madhya Bharat Power Corporation Limited	209.25	195.18
Corporate Guarantee		
Sarda Metals & Alloys Limited	51.64	51.64
Payables		
Mr. Kamal Kishore Sarda (Remuneration)	6.31	6.63
Mr. Pankaj Sarda (Remuneration)	5.03	5.02

Note 36 : COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account, net of advance given and not provided for as at 31st March 2023 is ₹ 14.05 Crore (31st March 2022: ₹ 4.99 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.

a) Gross amount required to be spent by the company during the year is ₹9.47 Crore

b) Amount spent during the year on:

	31st March 2023	31st March 2022	
(a) Gross amount required to be spent by the Company during the year	9.47	5.85	
(b) Amount approved by the Board to be spent during the year	9.49	5.87	
	In Cash	Yet to be paid	Total
(c) Amount spent during the year ending on 31st March 2023:			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	9.49	-	9.49
(d) Amount spent during the year ending on 31st March 2022:			
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	5.87	-	5.87

Notes

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(₹ in Crore)

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:

	31st March 2023	31st March 2022
(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	3.49	5.20
- Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.		
- Payment made beyond the Appointed date	-	-
- Interest paid beyond the Appointed date	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Note 39 : CONTINGENT LIABILITIES

	Year ended 31st March 2023	Year ended 31st March 2022
Guarantees given by Company's bankers	350.27	350.83
Bills discounted with the Company's bankers under Letters of Credit	26.21	48.01
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	14.25	31.45
Excise Duty & Service Tax Demand	18.55	17.26
VAT, CST & Entry Tax	8.49	3.09
Income Tax	8.27	32.76
Energy Development Cess	80.63	74.86
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 ₹0.68 Crore (P.Y. ₹0.71 Crore) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals).
- Service Tax demand of ₹17.66 Crore (P.Y. ₹16.27 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).

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

Value Added Tax/Central Sales Tax/Entry Tax demands of ₹8.49 Crore (P.Y. ₹3.09 Crore) are pending in appeal against assessment of various years.

iii) Income Tax

₹0.88 Crore (P.Y. ₹ Nil) for the Assessment Year 2020-21, ₹2.68 Crore (P.Y. ₹2.68 Crore) for the Assessment Year 2017-18 and ₹4.71 Crore (P.Y. ₹5.42 Crore) for the Assessment Year 2018-19 on account of partial disallowance of deduction claimed under Section 80IA, 80G and other disallowances made by Assessing Office as per order passed under Section 143(3) of the Income Tax Act, 1961. ₹ Nil Crore (P.Y. ₹ 16.90) for the Assessment Year 2016-17 for disallowance made under section 148 of Income Tax Act, 1961. ₹ Nil Crore (P.Y. ₹ 7.76) for the Assessment Year 2018-19 for penalty made under section 270(A) of Income Tax Act, 1961. For Assessment year 2020-21, 2018-19, 2017-18 and 2016-17 the Company has filed appeal before Commissioner of Income Tax (Appeal).

iv) Energy Development Cess of ₹ 80.63 Crore (P.Y. ₹74.86 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 ASSETS

The Company has ₹ NIL pending (PY ₹NIL) as on 31st March, 2023

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, 2023

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 2023	31st March 2022
Trade and other receivables	90.44	92.84
Loans and advances	442.35	570.30
Cash and cash equivalents	2.32	22.63

Impairment losses

	31st March 2023	31st March 2022
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	2.92	3.03
Provided during the year	0.10	(0.11)
Closing balance	3.02	2.92

Ageing analysis

	31st March 2023	31st March 2022
Upto 3 months	89.76	94.05
3-6 months	3.70	
More than 6 months	-	1.70
	93.46	95.75

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.

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

Financing arrangements

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

	31st March 2023	31st March 2022
Cash Credit facility	187.67	187.67
Current investments	210.57	274.04

Maturities of financial liabilities

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

As at 31st March 2023	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	56.22	82.73	-	138.95
Trade payables	55.06	-	-	55.06
Security deposits	9.59	3.11	-	12.70
Other financial liabilities	72.69	-	-	72.69
	193.56	85.84	-	279.40

As at 31st March 2022	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	89.38	-	-	89.38
	260.28	146.01	-	406.29

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 2023	31st March 2022
Variable rate borrowings	138.94	170.53

b) Sensitivity analysis

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

	Impact on profit after tax	
	31st March 2023	31st March 2022
Interest rates - increase by 70 basis points	(0.03)	(0.10)
Interest rates - decrease by 70 basis points	0.03	0.10

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.

Notes

to standalone financial statements for the year ended 31st March, 2023

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.

(Currency in crore)

	Currency	2022-23	2021-22
Trade Payables	USD	0.06	1.25
Trade Receivables	USD	(0.30)	(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 2023	31st March 2022
Foreign exchange rates - increase by 1%	0.20	(0.71)
Foreign exchange rates - decrease by 1%	(0.20)	0.71

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 ₹4.22 Crore (2021-22: ₹5.48 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 (2021-22: ₹0.029 Crore); an equal change in the opposite direction would have decreased profit and loss.

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;
- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions;
- safeguard its ability to continue as a going concern; and
- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

The Company manages its capital on the basis of net debt to equity ratio which is net debt (total borrowings net of cash and cash equivalents) divided by total equity.

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	31st March 2023	31st March 2022
Total liabilities	138.95	170.53
Less : Cash and cash equivalent	2.32	14.58
Net debt	136.63	155.95
Total equity	3,102.71	2,642.74
Net debt to equity ratio	0.04	0.06

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

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
31st March 2023								
Financial assets								
Bank, cash and cash equivalents			240.76	240.76				
Non-current investments								
Unquoted Equity Investments		1.45	889.31	890.76		1.45		1.45
Quoted Mutual Funds	0.25			0.25	0.25			0.25
Current investments								
Quoted Investments	210.57			210.57	210.57			210.57
Financial Asset: Loans & others			661.70	661.70				
Trade and other receivables			90.44	90.44				
	210.82	1.45	1,882.21	2,094.48	210.82	1.45	-	212.27
Financial liabilities								
Long term borrowings			82.73	82.73				
Short term borrowings			56.22	56.22				
Trade and other payables			55.06	55.06				
Other financial liabilities			85.38	85.38				
	-	-	279.39	279.39	-	-	-	-

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
31st March 2022								
Financial assets								
Bank, cash and cash equivalents			23.43	23.43				
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 Investments	274.03			274.03	274.03			274.03

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Asset: Loans & others			570.29	570.29				
Trade and other receivables			92.83	92.83				
	274.28	1.45	1,572.00	1,847.73	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			142.03	142.03				
Other financial liabilities			93.73	93.73				
	-	-	406.29	406.29	-	-	-	-

* 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 44 : INCOME TAX EXPENSE

a) Current tax expense

i) Income tax recognized in profit or loss

(₹ in Crore)

	31st March 2023	31st March 2022
Current year	216.49	215.99
Adjustment for prior periods	(0.13)	0.76
Deferred tax expense		
Origination and reversal of temporary differences	(8.00)	0.05
Total income tax expense	208.36	216.80

Notes

to standalone financial statements for the year ended 31st March, 2023

ii) Income tax recognized in OCI

(₹ in Crore)

	31st March 2023	31st March 2022
Remeasurements of defined benefit plans and fair valuation of Equity Instruments	(0.02)	(0.08)
Total income tax expense relating to OCI items	(0.02)	(0.08)

b) Reconciliation of tax expense and accounting profit

	31st March 2023	31st March 2022
Accounting profit before tax from continuing operations	846.77	876.57
Accounting profit before tax from discontinued operations	-	-
Accounting profit before tax	846.77	876.57
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	213.11	220.62
Adjustments in respect of current income tax of previous years	(0.13)	0.76
Exempted Income not considered for tax purpose	(4.48)	(6.06)
Expense Allowable for tax purpose	(32.22)	(16.25)
Expense not allowed for tax purpose	27.22	15.19
Deduction under Chapter VIA	(5.47)	-
Income not considered for tax purpose other than PGBP	18.05	0.28
Other temporary differences	(8.00)	0.05
Effective income tax rate	24.57%	24.48%
Tax Differences due to interest	0.29	2.21
Income tax reported before Adjustment	208.07	214.59
Income tax reported in the statement of profit and loss	208.36	216.80
	208.36	216.80

c) Deferred tax assets and liabilities

Deferred tax relates to the following:

	31st March 2023	31st March 2022
Accelerated depreciation for tax purposes	(5.26)	(0.58)
Expenses allowed on payment basis	(0.13)	(0.12)
DTA impact on indexation of land	(0.56)	(1.02)
DTA impact on net movement, Valuation & others	(2.07)	1.83
	(8.02)	0.13

d) Reconciliation of Deferred tax assets/ Liabilities

	31st March 2023	31st March 2022
Opening balance as at 1st April	47.60	47.47
Tax income/expense during the period recognised in profit or loss	(8.02)	0.13
Closing balance	39.58	47.60

Notes

to standalone financial statements for the year ended 31st March, 2023

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 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 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.

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

Note 53 : DISTRIBUTION MADE AND PROPOSED

	31st March 2023	31st March 2022
Dividends on equity shares declared and paid:		
Final dividend paid during the year ended on 31st March 2023: ₹ NIL per share (31st March 2022: ₹ 7.50 per share)	-	27.04
Interim dividends on Equity shares:		
Interim dividend for the FY 2022-23 : ₹ NIL per share declared and paid before the date of financial statements were approved for issue. (FY 2021-22 : ₹ 7.50 per share)	-	27.04
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31st March 2023: ₹ 15 per share (31st March 2022: ₹ NIL per share)	52.86	-

Note 54 : FINANCIAL RATIOS

S. No.	Ratio	2022-23	2021-22	% Variance	Reasons for Variance for more than / less than 25%
1	Current Ratio (Times) (Current Assets / Current Liabilities)	7.06	4.47	57.89%	Improved liquidity and decrease in current liability during the year.
2	Debt - Equity Ratio (Times) (Long Term Debts + Current Maturities) / (Equity + Other Equity)	0.04	0.06	(32.94%)	Decreased on account of prepayment and repayment of debts during the year coupled with increased networth on the back of improved profitability.
3	Debt -Service Coverage Ratio (Profit after Tax + Depreciation + Interest +/- Exceptional items +/- profit/(loss) on sale of fixed assets)	11.13	17.39	(35.99%)	Decreased due to increase in term loan installments repayable in next one year.
4	Return on Equity (Profit after Tax / Shareholder's Equity i.e. equity + other equity)	20.58%	24.97%	(17.58%)	
5	Inventory Turnover Ratio (Days) (Average Inventory / Sales X 365)	59.09	59.99	(1.50%)	
6	Trade Receivables Turnover Ratio (Days) (Average Trade Receivables / Sales X 365)	11.07	11.81	(6.21%)	
7	Trade Payables Turnover Ratio (Days) (Average Trade Payables / (Cost Material consumed+ Stores & Spares consumption X 365)	19.93	36.53	(45.45%)	Decreased due to improved payments to vendors on account of improved liquidity.
8	Net Capital Turnover Ratio (Times) [Sales / Working Capital (Current Assets - Current Liabilities)]	2.03	2.47	(17.66%)	
9	Net Profit Ratio (%)	21.14%	24.97%	(15.36%)	

Notes

to standalone financial statements for the year ended 31st March, 2023

S. No.	Ratio	2022-23	2021-22	% Variance	Reasons for Variance for more than / less than 25%
	(Profit after Tax / Sales)				
10	Return on Capital Employed (ROCE)	26.65%	31.96%	(16.60%)	
	[(Earning before Interest & Taxes +/- exceptional items / (Total Net worth + Long term debt + Deferred Tax Liability)]				
11	Return on Investment				
	(i) Equity	(24.77%)	43.92%	(156.40%)	Fair value loss on Financial Instruments at FVTPL.
	(ii) Bonds	4.41%	NA	4.41%	
	(iii) Mutual Funds	4.42%	4.08%	8.33%	

Note 55 : 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	Amount outstanding as at 31.03.2023	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	-	8.30	
Parvatiya Power Limited	37.50	41.14	
Madhya Bharat Power Corporation Limited	209.25	262.83	
Sarda Energy Limited	16.35	20.60	
Natural Resources Energy Private Limited	51.36	51.36	
Chhattisgarh Hydro Power LLP	41.17	41.17	
Sarda Hydro Power LLP	0.17	0.17	
Chhatisgarh Investments Limited	238.59	282.14	1,35,97,493

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

Disclosures of the transactions with entity belonging to the promoter group which hold(s) 10% or more shareholding in the company.

Name of the entities	(₹ in Crore)	
	Transaction Value	Transaction Nature
Chhatisgarh Investments Limited	0.70	Rent paid
Chhatisgarh Investments Limited	17.19	Interest received

Note 56 : PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

(Pursuant to Section 186 of the Companies Act, 2013)

Amount Outstanding as on 31st March 2023	Amount
Loans Given	641.84
Guarantess Given	51.64
Investments Made	891.01

Notes

to standalone financial statements for the year ended 31st March, 2023

(₹ in Crore)

Loans, Guarantees given or Investments made during FY 2022-23

Name of the Entity	Amount	Particulars of Loans, Guarantees given or Investments made	Purpose for which the Loans, Guarantees given or Investments are proposed to be utilized
Madhya Bharat Power Corporation Limited	14.62	Loan*	Business Purpose
Natural Resources Energy Private Limited	50.76		
Chhattisgarh Hydro Power LLP	43.25		
Orient Press Limited	2.00		
Shiv Trading Co.	1.38		
Vyas & Co.	1.38		
Brijesh Thakkar	4.00	Investment	
Sarda Metal & Alloys Limited	0.44		
Shri Ram Electricity LLP	0.03		

* Represents net amount of loan given and repaid during the year ended 31st March 2023

Note 57 : Previous year figures have been regrouped/rearranged wherever necessary.

Signatures to notes 1 to 57

Significant Accounting Policies

1

The Accompanying Notes Are Forming Integral Part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

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

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

27th May, 2023

K. K. SardaChairman &
Managing Director
DIN: 00008170

Raipur

27th May, 2023

P. K. JainWholtime Director &
CFO
DIN: 00008379**Manish Sethi**Company Secretary
ACS 18069

Consolidated Financial Statements

Independent

Auditor's Report

To the Members of Sarda Energy & Minerals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sarda Energy & Minerals Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2023, 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, 2023, 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 judgement 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, Business Responsibility and Sustainability Report and Corporate Governance but does not include consolidated financial statements and our Auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent

Auditor's Report

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 judgement 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

Independent

Auditor's Report

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.
- 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

- We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹2,907.91 crore as at 31st March, 2023, total revenues of ₹1,371.75 crore, and net cash flows amounting to ₹195.95 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.
- The consolidated financial statements also include the Group's share of net loss of ₹5.42 crore and the Group's share of total comprehensive loss of ₹5.05 crore for the year ended 31st March, 2023, 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.

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Auditor's Report

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.
- (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, 2023 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, 2023 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 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 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;

Independent

Auditor's Report

- (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.
- (i) As stated in Note 54 to the consolidated financial statements
- (a) No final dividend proposed in the previous year, declared and paid by the Company during the year, therefore reporting under this clause is not applicable.
- (b) As the company has not paid and declared any interim dividend during the year and upto the date of our report, therefore, this clause is not applicable.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (j) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Companies only w.e.f. 1st April, 2023, reporting under this clause is not applicable.
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, its subsidiaries, associates and joint venture companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company.

Sl No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective Auditor's Report	Paragraph number in the respective CARO reports
1.	Sarda Energy & Minerals Limited	L27100MH1973PLC016617	Holding Company	27.05.2023	Para (i) (c)
2.	Sarda Metal & Alloys Limited	U40102CT2008PLC000406	Subsidiary	02.05.2023	Para (iii) (c) & (d) & (xvii)

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

Sanjay Singhania
Partner

Membership No.076961
UDIN: 23076961BGWSIZ9122

Raipur, 27th May, 2023

Annexure - A

to the Independent Auditor's 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 2023, 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.

Auditor's 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

Annexure - A

to the Independent Auditor's Report

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.

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 2023, 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: 23076961BGWSIZ9122

Raipur, 27th May, 2023

Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Crore)

	Note	As at 31.03.2023	As at 31.03.2022
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment		2,758.35	2,700.98
(b) Capital work-in-progress	2	130.18	131.96
(c) Investment Property		46.37	46.75
(d) Goodwill on Consolidation		33.00	33.05
(e) Other Intangible Assets		69.55	72.41
(f) Intangible Assets under development		0.62	0.58
(g) Investment in associates and joint ventures	3(a)	35.89	20.87
(h) Financial Assets			
(i) Investments	3(b)	33.80	27.40
(ii) Others Financial Assets	4	39.45	36.65
(i) Other Non- current Assets	5	88.36	96.30
		3,235.57	3,166.95
(2) Current Assets			
(a) Inventories	6	727.12	612.97
(b) Financial Assets			
(i) Investments	7	352.59	451.90
(ii) Trade receivables	8	182.02	168.75
(iii) Cash & cash equivalents	9	7.86	216.16
(iv) Bank balances other than (iii) above	10	364.20	65.38
(v) Loans	11(a)	300.03	332.31
(vi) Other financial assets	11(b)	72.67	71.02
(c) Current tax assets (net)		3.52	4.41
(d) Other Current Assets	12	235.80	207.96
		2,245.81	2,130.86
TOTAL ASSETS		5,481.38	5,297.81
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13(a)	35.24	36.05
(b) Other Equity	13(b)	3,374.84	2,967.67
Equity Attributable to owners of the company		3,410.08	3,003.72
Non Controlling Interests		100.24	103.79
Total Equity		3,510.32	3,107.51
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,063.04	1,194.66
(ii) Other financial liabilities	15	14.66	5.24
(b) Provisions	16	36.38	34.27
(c) Deferred tax liabilities (Net)	17	101.94	123.91
(d) Other non current liabilities	18	4.40	4.50
		1,220.42	1,362.58
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	343.93	385.91
(ii) Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		5.12	7.22
(b) Total outstanding dues of creditors other than micro and small enterprises		129.59	205.02
(iii) Other financial liabilities	21	158.05	168.63
(b) Other current liabilities	22	107.59	46.71
(c) Provisions	23	2.32	2.61
(d) Current tax liabilities (net)		4.04	11.62
		750.64	827.72
TOTAL EQUITY AND LIABILITIES		5,481.38	5,297.81

Significant Accounting Policies

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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

27th May, 2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May, 2023

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, 2023

(₹ in Crore)

	Note	Year Ended 31.03.2023	Year Ended 31.03.2022
I. Revenue from operations	24	4,211.90	3,914.02
II. Other income	25	49.39	50.32
III. Total Revenue (I + II)		4,261.29	3,964.34
IV. Expenses:			
Cost of materials consumed	26	2,312.09	2,025.37
Purchases of Stock-in-Trade		189.25	126.78
Changes in inventories of finished goods, semi-finished goods and Stock-in-Trade	27	(6.04)	(66.14)
Employee benefits expense	28	127.10	112.90
Finance costs	29	124.41	147.12
Depreciation and amortization expense	2	178.35	143.16
Other expenses	30	529.29	359.77
Total Expenses		3,454.45	2,848.96
V. Profit before Exceptional Items and Tax (III - IV)		806.84	1,115.38
VI. Exceptional items (Income) / Expense		-	7.36
VII. Profit Before Tax (V - VI)		806.84	1,108.02
VIII. Tax expense:			
(1) Current tax		221.39	261.03
(2) Deferred tax		(19.59)	38.76
IX. Profit for the year before share of profit of Joint Ventures & Associates (VII - VIII)		605.04	808.23
X. Add: Share of Profit of Joint Ventures & Associates		(1.06)	(1.53)
XI. Profit for the year (IX - X)		603.98	806.70
XII. Other comprehensive income for the year, net of tax	31		
Items that will not be reclassified to profit or loss		(1.53)	(1.06)
Income tax relating to items that will not be reclassified to profit or loss		0.34	(0.01)
Items that will be reclassified to profit or loss		(0.69)	0.30
Income tax relating to items that will be reclassified to profit or loss		0.78	0.84
XIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		602.88	806.77
XIV. Net Profit/(loss) attributable to			
a/ Owner of the Company		602.11	804.16
b/ Non Controlling Interest		1.87	2.54
XV. Total Comprehensive income/(loss) attributable to			
a/ Owner of the Company		601.00	804.16
b/ Non Controlling Interest		1.88	2.61
XVI. Earnings per equity share:	32		
Basic		169.94	223.07
Diluted		169.94	223.07

Significant Accounting Policies

The Accompanying Notes Are Forming Integral Part of Financial Statements

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

27th May, 2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May, 2023

P. K. Jain

Wholtime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

1

For and on Behalf of the Board

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(₹ in Crore)

a. Equity Share Capital

For the year ended 31st March 2022	Balance at 1st April, 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 31st March, 2022
	36.05	-	36.05	-	36.05
For the year ended 31st March 2023	Balance at 1st April, 2022	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 31st March, 2023
	36.05	-	36.05	(0.81)	35.24

b. Other Equity

	Reserves and Surplus					OCI	Exchange differences on translating the financial statements of the foreign operations	Non controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	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	100.84	2,282.93
Other Comprehensive Income					(0.05)	0.04		0.06	0.05
Addition/(deletion) during the year							8.47		8.47
Change in control								0.35	0.35
Profit for the year					804.16			2.54	806.70
Dividends & Tax					(27.04)				(27.04)
Balance as of 31st March, 2022	4.05	194.03	-	171.83	2,587.40	(6.01)	16.37	103.79	3,071.46

	Reserves and Surplus					OCI	Exchange differences on translating the financial statements of the foreign operations	Non controlling Interest	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity instruments through Other Comprehensive Income			
Balance as of 1st April, 2022	4.05	194.03	-	171.83	2,587.40	(6.01)	16.37	103.79	3,071.46
Prior year errors-refer note no 38					(30.30)			(5.49)	(35.79)
Other Comprehensive Income					(1.13)	0.03		0.01	(1.09)
On account of buy back of equity shares	-	-	0.81	(150.86)			13.55		(136.50)
Change in control								0.06	0.06
Profit for the year					602.11			1.87	603.98
Dividend & Tax					(27.04)				(27.04)
Balance as of 31st March, 2023	4.05	194.03	0.81	20.97	3,131.04	(5.98)	29.92	100.24	3,475.08

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

27th May, 2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May, 2023

P. K. Jain

Wholtime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Crore)

	Year ended 31.03.2023	Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Statement of Profit & Loss	806.84	1,108.02
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	178.35	143.16
Finance Costs	124.41	147.12
Share of Profit of joint ventures	(1.06)	(1.53)
Loss pertaining to scraping of assets	1.23	7.33
Coal Mining Assets written off	0.30	-
Exchange differences on translation of assets & liabilities	2.17	(1.26)
Net (Gain)/Loss on investments pertaining to Fair valuation	28.99	12.99
Interest Income	(50.23)	(41.68)
Dividend income	(2.20)	(2.21)
Amortization of Capital Subsidy	(0.10)	(0.10)
(Profit) / Loss on sale of investments	(3.74)	(5.47)
(Profit) / Loss on sale of Property, Plant & Equipment	-	(0.20)
Allowance for credit losses on financial assets	(0.14)	(0.07)
Impairment loss on discarding of CWIP	-	(6.27)
Operating Profit Before Working Capital Changes	1,084.82	1,359.83
Changes in assets and liabilities		
Trade Receivables	(12.48)	(29.17)
Inventories	(114.15)	(40.05)
Trade Payables	(76.58)	6.95
Loans and advances and other assets	28.10	(210.35)
Liabilities and provisions	21.59	88.77
	931.30	1,175.98
Income Tax Paid	(229.86)	(258.75)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	701.44	917.23
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Investment in Property Plant & Equipment	(216.75)	(282.16)
Sale of Property, Plant & Equipment	0.50	8.92
Investment made in Joint Ventures, MFs & Others	(33.56)	(245.99)
Investment in FDR (made)/Liquidated	(298.72)	(64.61)
Investment liquidated in MFs & Others	103.80	27.60
Loan repaid by/(given to) related & others parties	(16.35)	66.47
Interest received	33.04	24.99
Dividend received	2.20	2.21
Change in non-controlling interest	(5.30)	(3.54)
NET CASH GENERATED FROM (USED IN) INVESTING ACTIVITIES	(431.14)	(466.11)

Consolidated Cash Flow Statement

for the year ended 31st March, 2023

(₹ in Crore)

	Year ended 31.03.2023	Year ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Payments for Buy Back of shares	(151.67)	-
Repayment of long term borrowings	(131.62)	(297.09)
Short term borrowings (net)	(45.78)	163.62
Interest Paid	(122.49)	(170.30)
Dividend paid	(27.04)	(27.04)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(478.60)	(330.81)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(208.30)	120.31
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	216.16	95.85
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.86	216.16
Supplementary Information:		
Restricted Cash Balance	364.20	65.38

Notes:

	Year ended 31.03.2023	Year ended 31.03.2022
a. Cash and cash equivalent include the following :		
Cash on Hand	0.21	0.23
Balances with banks	7.65	215.93
	7.86	216.16

(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

	As at 01.04.2022	Cash Flow		Non-cash changes		As at 31.03.2023
		Proceeds	Repayments	Fair value changes	Classification changes	
Long Term Borrowings	1,483.72	-	(131.62)	-	(289.06)	1,063.04
Short Term Borrowings	96.85	-	(45.78)	3.80	289.06	343.93

(c) Previous year figures have been regrouped/rearranged wherever necessary.

(d) Figures in brackets represent outflows.

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
27th May, 2023

For and on Behalf of the Board

K. K. Sarda
Chairman &
Managing Director
DIN: 00008170
Raipur
27th May, 2023

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, 2023

Significant Accounting Policies on Consolidated Financial Statements

1.1 Basis of Preparation of consolidated financial statements:

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

1.2 Basis of Consolidation

The Consolidated Financial Statements comprise individual financial statements of Sarda Energy & Minerals Limited, its subsidiaries, associates and jointly controlled entities as on 31st March, 2023. 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, 2023. The financial statement of an associate has been audited up to 31st December, 2022 and the period from 1st January to 31st March, 2023 was unaudited considered in the consolidated financial statement.

Notes

to consolidated financial statements for the year ended 31st March, 2023

- 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 115. 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 - Depreciation is calculated on cost of items of Property, Plant and Equipment less their residual value over the estimated useful life using the straight-line method, following the rates and methodology as notified under MYT Regulations for fixation of tariff. Where life of particular asset is less than useful life of the project, such assets have been fully depreciated in accordance with the provisions of MYT regulations.
- 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, 2023

(₹ in Crore)

Note 2 : PROPERTY, PLANT & EQUIPMENT

	Gross Block				Depreciation				Net Block	
	As on 01.04.2022	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land	29.03	-	-	29.03	-	-	-	-	29.03	29.03
Leasehold Land	39.93	0.21	6.69	33.45	1.29	1.05	-	2.34	31.10	38.64
Building	361.92	46.27	1.76	406.44	86.72	16.23	0.01	102.95	303.49	275.20
Plant & Machinery	2,804.13	188.76	5.46	2,987.43	455.77	154.16	1.71	608.24	2,379.20	2,348.36
Furniture, Fixture & Equipments	13.00	2.15	0.12	15.02	8.37	1.83	0.10	10.10	4.93	4.63
Vehicles	11.07	7.63	0.90	17.80	5.95	1.97	0.72	7.20	10.59	5.12
	3,259.09	245.02	14.93	3,489.18	558.11	175.24	2.52	730.83	2,758.35	2,700.98
Depreciation taken to Preoperative Expenses						0.00				
Net Depreciation during the year						175.24				

Ageing of capital work-in-progress is as below:

As at 31st March 2023

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	100.96	25.76	0.80	2.66	130.18
Project temporarily suspended	-	-	-	-	-
	100.96	25.76	0.80	2.66	130.18

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 01.04.2022	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
Freehold Land - IP	34.37	-	-	34.37	-	-	-	-	34.37	34.37
Building - IP	13.93	-	0.20	13.73	1.55	0.26	0.08	1.73	12.00	12.38
	48.30	-	0.20	48.10	1.55	0.26	0.08	1.73	46.37	46.75

Amount recognized in profit & loss for investment properties:

	31.03.2023	31.03.2022
Rental Income (Included in non-operating income)	0.20	0.20
Other expenses related to investment Properties	0.04	0.04
Profit from Investment Properties before depreciation	0.16	0.16
Depreciation	0.26	0.26
Profit/(Loss) from Investment Properties	(0.10)	(0.10)

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

Other Intangible Assets

	Gross Block				Depreciation				Net Block	
	As on 01.04.2022	Addition during the year	Transfer /Sale/ Adjustment	As on 31.03.2023	Up to 01.04.2022	Depreciation for the year	Transfer / Adjustment	As on 31.03.2023	As on 31.03.2022	As on 31.03.2022
Computer Software	2.40	-	-	2.40	1.59	0.19	-	1.78	0.62	0.81
Mining Rights & Development	40.11	-	-	40.11	1.61	1.42	-	3.03	37.08	38.50
Rights to use land	39.23	-	-	39.23	6.13	1.25	-	7.38	31.85	33.10
	81.74	-	-	81.74	9.33	2.86	-	12.19	69.55	72.41

Ageing of Intangible Assets under Development is as below:

As at 31st March 2023

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	0.04	0.58	-	-	0.62
	0.04	0.58	-	-	0.62

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	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
Depreciation taken to Preoperative Expenses						0.00				
Net Depreciation during the year						141.08				

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

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.

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

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:

Particulars	31.03.2022	31.03.2021
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)

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
Mining Rights & Development	3.08	37.02	-	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
	38.46	43.28	-	81.74	7.50	1.83	-	9.33	72.41	30.96

	As at 31st March 2023	As at 31st March 2022
Note 3 : NON-CURRENT ASSETS-FINANCIAL ASSETS-INVESTMENTS		
(a) Investment in Joint Ventures and Associates		
Using equity method	35.89	20.87
	35.89	20.87
(b) Investments		
Carried at FVTOCI		
Investments in other companies in Unquoted Equity Instruments	33.55	27.15
Carried at FVTPL		
Investment in Mutual Fund	0.25	0.25
	33.80	27.40

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 4 : NON-CURRENT ASSETS-FINANCIAL ASSETS-OTHER FINANCIAL ASSETS		
Security Deposits		
Unsecured , considered good	1.00	1.41
Bank Deposit with more than 12 months maturity	6.00	6.01
Contracted assets		
Unsecured , considered good	30.94	27.72
Other advances		
Unsecured , considered good	1.51	1.51
	39.45	36.65

	As at 31st March 2023	As at 31st March 2022
Note 5 : OTHER NON-CURRENT ASSETS		
(a) Capital Advances		
Unsecured, considered good	60.47	75.48
(b) Advances other than capital advances		
Unsecured, considered good		
Security deposits and others	26.83	20.29
Pre Paid Expenses	1.06	0.53
	88.36	96.30

	As at 31st March 2023	As at 31st March 2022
Note 6 : INVENTORIES (valued at lower of cost and net realisable value)		
(a) Raw Material	402.62	300.18
(b) Finished / semi finished goods	259.64	253.27
(c) Stock-in-Trade	0.18	0.50
(d) Stores and spares	49.64	46.30
(e) Project under Development	15.04	12.72
	727.12	612.97

	As at 31st March 2023	As at 31st March 2022
Note 7 : CURRENT ASSETS-FINANCIAL ASSETS-INVESTMENTS		
Carried at FVTPL		
(i) Investments in Equity Instruments in other Companies (Quoted)	104.99	133.89
(ii) Investments in Mutual Funds/Bonds and Debentures (quoted)	105.59	189.14
(ii) Investments held for trading	142.01	128.87
	352.59	451.90

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 8 : CURRENT ASSETS-FINANCIAL ASSETS-TRADE RECEIVABLES		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	182.02	168.75
Trade receivables which have significant increase in Credit Risk	2.88	2.85
Trade receivable - credit impaired	0.77	0.69
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(3.65)	(3.54)
	182.02	168.75

Outstanding for following period for due of payment as on 31st March 2023

	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	84.76	96.52	0.67	0.07	-	-	182.02
Undisputed trade receivables- which have significant increase in Credit Risk				0.19	0.04	2.65	2.88
Undisputed trade receivables- credit impaired						0.14	0.14
Disputed trade receivables - considered good		-	-	-	-	-	-
Disputed trade receivables - which have significant increase in Credit Risk							
Disputed trade receivables- credit impaired				0.63			0.63
	84.76	96.52	0.67	0.89	0.04	2.79	185.67

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	0.13	-	-	168.75
Undisputed trade receivables- which have significant increase in Credit Risk				0.10	0.11	2.64	2.85
Undisputed trade receivables- credit impaired						0.06	0.06
Disputed trade receivables - considered good		-	-	-	-	-	-
Disputed trade receivables - which have significant increase in Credit Risk							
Disputed trade receivables- credit impaired				0.63		-	0.63
	157.93	10.45	0.24	0.86	0.11	2.70	172.29

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 9 : CURRENT ASSETS-FINANCIAL ASSETS-CASH & CASH EQUIVALENTS		
Balances with banks		
In current accounts	7.65	34.26
Deposits with Banks-Maturity for less than 3 months	-	181.67
Cash on hand	0.21	0.23
	7.86	216.16

	As at 31st March 2023	As at 31st March 2022
Note 10 : CURRENT ASSETS-FINANCIAL ASSETS-BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS		
Fixed Deposits with Banks-Maturity for more than 3 months and less than 12 months	363.31	64.61
Unpaid dividend	0.89	0.77
	364.20	65.38

	As at 31st March 2023	As at 31st March 2022
Note 11(a) : CURRENT ASSETS-FINANCIAL ASSETS-LOANS		
(a) Loans and advances to related parties		
Considered good - Unsecured	252.25	278.33
(b) Other loans		
Considered good - Unsecured		
(i) Loans to employees	1.71	0.45
(ii) Loans and advances to other parties	46.07	53.53
	300.03	332.31
Note 11(b) : CURRENT ASSETS-FINANCIAL ASSETS-OTHER FINANCIAL ASSET		
Unsecured, considered good		
(i) Earnest money deposit	8.32	3.72
(ii) Claims & recoverables	64.35	67.30
	72.67	71.02

	As at 31st March 2023	As at 31st March 2022
Note 12 : OTHER CURRENT ASSETS		
Advances other than capital advances		
Unsecured, considered good		
(i) Employee Advance	0.10	0.02
(ii) Advances to vendors	193.77	185.79
(iii) Advance royalty paid	16.57	1.05

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

(iv) Prepaid expenses	5.46	5.19
(v) Balances with revenue authorities	19.09	14.65
(vi) Others	0.81	1.26
	235.80	207.96

	As at 31st March 2023		As at 31st March 2022	
	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	3,52,38,127	35.24	3,60,49,235	36.05
	3,52,38,127	35.24	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 2023		As at 31st March 2022	
	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: Deductions during the period (*)	8,11,108	0.81	-	-
Number of shares outstanding at the end of the period	3,52,38,127	35.24	3,60,49,235	36.05

(*) On account of buyback of shares

C. Terms/rights attached to equity shares

The Group 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

	As at 31st March 2023		As at 31st March 2022	
	Number of shares	%	Number of shares	%
Chhatisgarh Investments Limited	1,35,97,493	38.59%	1,38,78,760	38.50%
Sarda Agriculture & Properties Private Limited	25,81,867	7.33%	26,35,150	7.31%

Notes

to consolidated financial statements for the year ended 31st March, 2023

- E. In the period of five years immediately preceding 31st March 2023, the Group has not issued bonus shares and has not allotted any equity shares. However the Company has bought back 8,11,108 equity shares during the year.
- 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 Group 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	5,48,455	1.56%	-0.01%
2	Kamal Kishore Rathi	5,831	0.02%	0.00%
3	Aditi Sarda	8,873	0.03%	0.00%
4	Shashi Rathi	18,915	0.05%	0.00%
5	Jugal Kishore Sarda (HUF)	21,100	0.06%	0.00%
6	Aditya Ghanshyam Sarda	1,12,840	0.32%	0.01%
7	Raghav Sarda	1,12,840	0.32%	0.01%
8	CSP Investments (Chhatisgarh Investments Ltd, Sarda Agriculture & Properties Pvt. Ltd., Prachi Agriculture & Properties Pvt. Ltd.)	1,43,937	0.41%	0.00%
9	Vipula Sarda	4,10,639	1.17%	-0.01%
10	Ghanshyam Sarda	6,21,036	1.76%	-0.01%
11	Pankaj Sarda	6,71,441	1.91%	-0.01%
12	Veenadevi Sarda	7,02,350	1.99%	0.04%
13	Manish J Sarda	7,55,216	2.14%	-0.01%
14	Neeraj Sarda	7,55,216	2.14%	-0.01%
15	Anant Sarda	7,85,289	2.23%	-0.01%
16	Uma Sarda - Trustee to K K Sarda Family Trust	9,71,545	2.76%	-0.02%
17	Uma Sarda	12,07,221	3.43%	-0.02%
18	Prachi Agriculture & Properties Private Limited.	15,65,322	4.44%	0.10%
19	Sarda Agriculture & Properties Private Limited.	25,81,867	7.33%	0.02%
20	Chhatisgarh Investments Limited.	1,35,97,493	38.59%	0.09%
		2,55,97,426	72.64%	0.14%

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 13(b) : OTHER EQUITY		
Capital Reserve		
Balance as per last financial statements	4.05	4.05
Addition/deduction during the year	-	-
	4.05	4.05
Capital Redemption Reserve		
Balance as per last financial statements	-	-
Addition during the year	0.81	-
	0.81	-
Securities Premium		
Balance as per last financial statements	194.03	194.03

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
	194.03	194.03
General Reserve		
Balance as per last financial statements	171.83	171.83
Less: Utilization for Buy Back of Shares	(150.86)	-
	20.97	171.83
Exchange differences on translating the financial statements of the foreign operations-		
Balance as per last financial statements	16.37	7.90
Addition / (deduction) during the year	13.55	8.47
	29.92	16.37
Retained earnings		
Balance as per last financial statements	2,587.40	1,810.33
Add : Profit for the year	602.11	804.16
Prior year error (refer note no 38)	(30.30)	-
Remeasurements of the net defined benefit plans	(1.13)	(0.05)
Equity Dividend	(27.04)	(27.04)
	3,131.04	2,587.40
Other Comprehensive Income		
Balance as per last financial statements	(6.01)	(6.05)
Addition / (deduction) during the year	0.03	0.04
	(5.98)	(6.01)
	3,374.84	2,967.67

- (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) Capital redemption reserve has been created on account of buy back of equity 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) Capital Reserve - During amalgamation, the excess of net assets required over the cost of consideration paid is treated as capital reserve.
- (v) 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.
- (vi) Exchange differences arising on transactions of the foreign operations are recognized in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity. The cumulated amount is reclassified to profit and loss when the net investment is disposed off.

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	Non-Current Portion		Current Maturities	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Note 14 : NON-CURRENT LIABILITIES-FINANCIAL LIABILITIES-BORROWINGS				
Term loans (Secured)				
from banks				
Indian Rupee Loan	338.09	421.80	179.67	289.06
Buyer's Credit for Capital Goods (Sub limit of Indian Rupee Loan)	14.08	-	-	-
from others				
Indian rupee loan from Financial institutions	710.87	772.86	-	-
	1,063.04	1,194.66	179.67	289.06

1) Nature of security :

Sarda Energy & Minerals Limited

- 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.

Madhya Bharat Power Corporation Limited

- Term Loan is secured by pari passu charge by way of hypothecation of movable assets, operating cash flows and current assets of the company and mortgage of immovable properties of plant situated in East Sikkim.
- In addition, term loan is secured by unconditional and irrevocable personal guarantees of the Promoter Director, Mr. Kamal Kishore Sarda. The same will be reviewed by the lender and released after 2 years of satisfactory performance.
- The company shall maintain Debt Service Reserve Account (DSRA) equal to one quarter of interest and installments within 12 months from the date of refinancing and another quarter within 24 months from the date of take over respectively. The DSRA shall be reduced to one quarter on satisfactory operations.
- Charge on TRA.

Chhattisgarh Hydro Power LLP

- Primary - Charge on entire movable & immovable fixed assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP.
- Collateral -
 - Charge on entire current assets of 24 MW Gullu Hydro Power Project of Chhattisgarh Hydro Power LLP.
 - Unconditional and irrevocable personal guarantees of Mr Kamal Kishore Sarda & Mr Pankaj Sarda.

Sarda Metals & Alloys Limited

- 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 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.

Notes

to consolidated financial statements for the year ended 31st March, 2023

- 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.

2) Repayment terms :

Sarda Energy & Minerals Limited

- i. Rupee term loan of ₹91.35 crore (Present Outstanding ₹73.00 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.
- ii. Rupee term loan of ₹50 crore (Present Outstanding ₹35.50 crore) from Axis Bank Limited is payable in 16 equal quarterly installments starting from March 2022.
- iii. Rupee term loan of ₹48.13 crore (Present Outstanding ₹26.25 crore) from Axis Bank Limited is payable in 20 equal quarterly installments starting from March 2020.

Madhya Bharat Power Corporation Limited

Indian Renewal 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) Company has withdrawn take over loan of ₹107.88 cr from IREDA, hence additional sanctioned term loan facility has been reduced to ₹688.85 Crore.
- c) The take over loan of ₹688.85 crore from IREDA is repayable in 53 quarterly structured installments.

Chhattisgarh Hydro Power LLP

Secured Bank Loan (HDFC) of ₹60.14 Crore, 7.20% p.a. (linked to 1 year MCLR with Annual reset) is payable in the year 2027-28.

Sarda Metals & Alloys Limited

- i. Indian Rupee Term Loan sanctioned from Axis Bank of ₹144.78 Crore is payable in 41 unequal quarterly installments commencing from September 2017 and ending on September 2027. Out of the 41 unequal quarterly installments, 23 installments have been repaid up to 31.03.2023.
- ii. Indian Rupee Term Loan sanctioned from HDFC Bank of ₹40.14 Crore (TL-1) is payable in 27 unequal quarterly installments commencing from September 2019 and ending on June 2026. Out of the 27 unequal quarterly installments, 14 installments have been repaid up to 31.03.2023.
- iii. Indian Rupee Term Loan sanctioned from HDFC Bank of ₹11.50 Crore (TL-2) is payable in 24 equal quarterly installments commencing from September 2019 and ending on September 2025. Out of the 24 unequal quarterly installments, 14 installments have been repaid up to 31.03.2023.
- iv. Indian Rupee Term Loan sanctioned from HDFC Bank of ₹56.97 Crore (TL-3) is payable in 48 equal monthly installments commencing from May 2022 and ending on March 2026 with 2 installments being repayable in March 2026. Out of 48 equal monthly installments, 11 installments have been repaid up to 31.03.2023.
- v. Indian Rupee Term Loan sanctioned from HDFC Bank of ₹78.85 Crore (TL-4) for the purpose of repayment of term loan of IDFC First Bank is payable in 20 unequal quarterly installments commencing from March 2023 and ending on December 2027. Out of the 20 unequal quarterly installments, 1 installment have been repaid up to 31.03.2023.
- vi. Indian Rupee Term Loan sanctioned from HDFC Bank of ₹50 Crore (TL-5) for the purpose of financing the 1X36 MVA ferro alloys furnace project is payable in 32 unequal quarterly installments commencing from June 2023 and ending on March 2031.

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 15 : NON-CURRENT LIABILITIES-FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES		
Security Deposit		
Deposits from Vendors	4.05	3.50
Power Obligation	10.61	1.74
	14.66	5.24
Note 16 : PROVISIONS		
(a) Provision for employee benefits		
Provision for Leave encashment & Gratuity	8.85	6.74
(b) Others		
Site restoration expenses	27.53	27.53
	36.38	34.27
Note 17 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	123.91	0.86
Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation	(21.97)	123.05
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	101.94	123.91
Note 18 : OTHER NON CURRENT LIABILITIES		
Capital Subsidy	4.40	4.50
	4.40	4.50
Note 19 : CURRENT LIABILITIES-FINANCIAL LIABILITIES-BORROWINGS		
Secured		
From Banks (Secured)		
Short term loans	4.32	2.29
Working capital loans (repayable on demand)	4.67	-
Working capital Buyers Credit loans	155.27	94.56
	164.26	96.85
Current maturities of long-term borrowings	179.67	289.06
	343.93	385.91

Notes

to consolidated financial statements for the year ended 31st March, 2023

Security

Sarda Energy & Minerals Limited

Working Capital loans from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable Plant & Machinery and second charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and land located at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K.Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda.

Sarda Metals & Alloys Limited

- (i) Working capital 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.

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 20 : CURRENT LIABILITIES-FINANCIAL LIABILITIES-TRADE PAYABLE		
Total outstanding dues of Micro Enterprises & Small Enterprises	5.12	7.22
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	129.59	205.02
	134.71	212.24

Trade Payable Ageing schedule for the year ended -

As at 31st March 2023	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	5.12	-	-	-	-	5.12
Other	102.23	23.91	2.17	0.32	0.95	129.58
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Other	-	-	-	-	-	-
	107.35	23.91	2.17	0.32	0.95	134.70

As at 31st March 2022	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	7.22	-	-	-	-	7.22
Other	144.63	59.16	0.41	0.01	0.80	205.01
Disputed due - MSME	-	-	-	-	-	-
Disputed due - Other	-	-	-	-	-	-
	151.85	59.16	0.41	0.01	0.80	212.23

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	As at 31st March 2023	As at 31st March 2022
Note 21 : CURRENT LIABILITIES-FINANCIAL LIABILITIES-OTHER FINANCIAL LIABILITIES		
(a) Interest accrued but not due on borrowings	8.74	6.27
(b) Deposits from customers	22.93	21.60
(c) Expenses payable	45.79	37.08
(d) Salary & reimbursements	24.89	29.23
(e) Bill discounting	26.24	48.05
(f) Unpaid Dividends	0.82	0.77
(g) Provision for expenses	28.64	25.63
	158.05	168.63

	As at 31st March 2023	As at 31st March 2022
Note 22 : OTHER CURRENT LIABILITIES		
(a) Others -		
Indirect taxes payable	15.77	20.76
(b) Deposit from Employees	1.39	0.60
(c) Advances from customers	30.12	20.79
(d) TDS payables	4.02	4.18
(e) Provision for True up of annual revenue requirement & others	56.29	0.38
	107.59	46.71

	As at 31st March 2023	As at 31st March 2022
Note 23 : PROVISIONS		
(a) Provision for employee benefits		
Provision for gratuity	1.00	1.52
Provision for Leave	0.59	0.45
(b) Provision for expenses	0.73	0.64
	2.32	2.61

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
Note 24 : REVENUE FROM OPERATIONS		
Sale of products		
Sponge Iron	253.16	361.81
Ferro Alloys	1,534.53	1,575.15
Steel Billets	156.53	113.77
Wire Rod / HB Wire	992.03	768.65
Pellet	481.09	617.36
Power	355.86	296.07
Others	416.21	151.56
Other operating revenues	22.49	29.65
	4,211.90	3,914.02

24(i) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses is as below

	2022-23	2021-22
Segment Revenue -		
Steel	2,256.77	1,935.48
Ferro Alloys	1,691.24	1,675.94
Power	877.04	761.60
Unallocated	40.75	12.49
	4,865.80	4,385.51
Less: Inter segment revenue	653.90	471.49
	4,211.90	3,914.02

	2022-23	2021-22
Domestic	3,209.09	2,933.00
Exports	1,002.81	981.02
	4,211.90	3,914.02

	2022-23	2021-22
Timing of revenue recognition		
At a point in time	4,211.90	3,914.02
	4,211.90	3,914.02

	2022-23	2021-22
Assets and liabilities related to contracts with customers-		
Contract balances		
Trade Receivables (refer note 8)	182.02	168.75
Contract Liabilities		
Advance from customers (refer note no 22)	30.12	20.79

Trade receivables are non-interest bearing and are generally on terms of advance or credit period ranges of 1 to 90 days. In March 2023, there was a additional provision/reversal of ₹0.12 crore (March 2022: ₹0.21 Crore) on account of/out of the provision for expected credit losses on trade receivables.

Notes

to consolidated financial statements for the year ended 31st March, 2023

Contract liabilities include short-term advances received from customers to deliver manufacturing goods. Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹22.00 Crore (previous year ₹22.07 Crore) and performance obligations satisfied in previous years ₹NIL (previous year ₹NIL).

(₹ in Crore)

	2022-23	2021-22
Note 25 : OTHER INCOME		
Interest Income	50.23	41.68
Dividend Income		
From Others	2.20	2.21
Net gain on sale of investments	3.74	5.47
Fair value gain on Financial Instruments at FVTPL	(28.99)	(12.99)
Other non-operating income (net of expenses directly attributable to such income)	22.21	13.95
	49.39	50.32
Note 26 : COST OF RAW MATERIAL CONSUMED		
Iron Ore	453.56	592.82
Mn Ore	473.35	398.41
Coal	1,167.89	843.31
Scrap	200.32	138.34
Other Material	16.97	52.49
	2,312.09	2,025.37
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	259.63	253.27
Trading Goods	0.18	0.50
	259.81	253.77
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	253.27	187.47
Trading Goods	0.50	0.16
	253.77	187.63
(Increase)/Decrease in Inventories	(6.04)	(66.14)

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
Note 28 : EMPLOYEE BENEFITS EXPENSE		
Salaries, incentives & Managerial Remuneration	113.65	102.00
Contributions to -		
Provident fund	6.42	5.14
Superannuation scheme	0.33	0.19
Gratuity fund	2.77	1.99
Staff welfare expenses	3.93	3.58
	127.10	112.90

	2022-23	2021-22
Note 29 : FINANCE COSTS		
Interest expense	110.29	132.37
Other borrowing costs	9.09	13.21
Amortization of ancillary borrowing costs	0.56	0.43
Exchange difference to the extent considered as an adjustment to borrowing costs	4.47	1.11
	124.41	147.12

	2022-23	2021-22
Note 30 : OTHER EXPENSES		
Stores & Spares Consumption	124.46	96.82
Power	52.21	13.64
Manufacturing Expenses-		
Plant process & services	36.66	29.68
Material handling Expenses	48.38	43.40
Other Manufacturing Expenses	0.64	0.61
Repairs & Maintenance		
Building	3.21	2.79
Plant & Machinery	18.52	12.59
Others	14.03	11.88
Rent	3.11	2.93
Rates & Taxes	20.76	18.45
Insurance Charges	9.97	7.38
Travelling & Conveyance expenses	9.27	6.17
Legal & Professional Expenses	10.34	8.95
Free Power Obligation	24.52	12.91
Administrative and other Expenses	35.63	39.47
Cost of Sales of Real Estate Project	3.27	-
Selling Expenses		
Carriage Outward	114.12	60.39
Selling Commission & Brokerage	5.85	5.27
Other Selling Expenses	2.10	1.70
Exchange differences (net)	(8.44)	(15.89)
Payment to Auditors	0.68	0.63
	529.29	359.77

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23	2021-22
Note 31 : OTHER COMPREHENSIVE INCOME		
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(1.53)	(1.06)
Income Tax relating to above item	0.34	(0.01)
(ii) Items that will be reclassified to profit or loss		
Fair value of investment	(0.76)	(0.74)
Share of other comprehensive income in associates & joint ventures	0.07	1.04
Income Tax relating to above items	0.78	0.84
	(1.10)	0.07

	2022-23	2021-22
Note 32 : EARNINGS PER SHARE (EPS)		
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	602.11	804.16
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS (in Crore)	3.54	3.60
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS (in Crore)	3.54	3.60
Basic	169.94	223.07
Diluted	169.94	223.07

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

	2022-23				2021-22			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	2,140.42	1,670.13	360.60	4,171.15	1,935.47	1,659.76	306.30	3,901.53
Inter segment sales	116.36	21.11	516.43	653.90	-	16.19	455.30	471.49
Others Unallocated				40.75				12.49
Less: Inter segment sales	116.36	21.11	516.43	653.90	-	16.19	455.30	471.49
Total Revenue	2,140.42	1,670.13	360.60	4,211.90	1,935.47	1,659.76	306.30	3,914.02
Result								
Segment Result	648.11	194.09	156.12	998.32	634.29	536.15	161.05	1,331.49
Unallocated Expenses net off unallocated income				(75.51)				(92.22)
Operating Profit				922.81				1,239.27
Interest & Forex Fluctuation Loss (Net)				(115.97)				(131.25)
Profit Before Tax & Extraordinary Item				806.84				1,108.02
Add: Extra Ordinary Item				-				-
Provision for taxation								
For Current Year				(221.39)				(261.03)
For Deferred Taxation				19.59				(38.76)

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ in Crore)

	2022-23				2021-22			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Profit After Taxation				605.04				808.23
Other Information								
Segment Assets	1,057.62	870.19	2,491.26	4,419.07	970.02	727.95	1,381.70	3,079.67
Unallocated Assets				1,029.31				2,186.33
Total Assets				5,448.38				5,266.00
Segment Liabilities	201.98	327.11	1,335.87	1,864.96	203.90	235.98	1,491.76	1,931.64
Unallocated Liabilities				106.09				258.67
Total Liabilities				1,971.05				2,190.31
Capital Expenditure	36.29	124.48	99.52	260.29	138.17	43.52	84.28	265.97
Depreciation / Amortization	37.91	22.99	110.17	171.07	31.38	15.31	88.74	135.43
Unallocated Capital Expenditure / Depreciation				16.56				4.66

Note:

- 1) There is no customer having 10% of total revenue.
- 2) No operating segments have been aggregated to from the above reportable operating segments.

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 (%)	
		2023	2022
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	84.65
Shri Ram Electricity LLP	India	51.00	51.00
Sarda Hydro Power LLP	India	60.00	60.00
Natural Resources Energy Private Limited	India	51.00	100.00

Note 35 :**(a) Interest in Joint Ventures**

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

Name of Joint Ventures	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2023	2022
Raipur Infrastructure Company Limited	India	33.33%	33.33%
Madanpur South Coal Company Limited	India	20.13%	20.13%

Notes

to consolidated financial statements for the year ended 31st March, 2023

(b) Interest in Associates of Subsidiary company

The financial statements of the following Associate has been considered in consolidation:

Name of Associate	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2023	2022
PT. Tigadaya Minergy	Indonesia	49.00%	49.00%

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 Earthstahl & Alloys Limited Chhattisgarh Metaliks & Alloys Private Limited Raipur Mega Food Park Private Limited Continental Jweltech Mining Private Limited Kashmirilal Constructions Private Limited Vikas Associates R. R. Sarda & Co
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 Mr. Praharsh Agarwal
4	Relatives of KMP's	Mr. Ghanshyam Sarda Mr. Anant Sarda Mr. Vikas Agarwal

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(₹ in Crore)

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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2022: ₹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	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	-	8.36	0.29
	-	-	(12.23)	(0.12)
Rent Paid	-	2.01	-	0.04
	-	(1.90)	-	(0.03)
Loans Granted	-	337.12	-	-
	-	(392.50)	-	-
Loans Received Back	-	380.09	-	-
	-	(265.17)	-	-
Interest Paid	-	-	-	-
	-	(0.01)	-	-
Interest Received	-	18.64	-	-
	-	(18.58)	-	-
Sale of Goods	-	2.85	-	-
	-	(0.73)	-	-
Purchase of Goods	-	0.31	-	-
	-	(0.92)	-	-
Services Received	-	2.52	-	-
	-	(3.53)	-	-
Services Rendered	0.04	-	-	-
	(0.04)	-	-	-
Commission Paid	-	-	12.80	-
	-	-	(12.74)	-
Investment made	19.88	7.16	-	-
	-	(4.48)	-	-
Outstanding as on 31 st March				
Receivables	-	17.73	0.11	-
	-	(16.95)	-	-
Loans Receivable	-	249.99	-	-
	-	(278.31)	-	-
Payables	-	0.51	13.11	0.08
	-	(1.25)	(17.76)	(0.04)

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 2023 is ₹45.61 Crore (31st March 2022: ₹82.14 Crore).

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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.

1. Madhya Bharat Power Corporation Limited has received advise for payment of transmission charges for the period July 2021 to April 2022 of ₹28.78 Crore in July 2022. Transmission charges of ₹25.43 Crore pertaining to FY 2021-22, was not provided in the Balance Sheet of the FY 2021-22 and is being adjusted from opening balance of reserves (retained earnings) as per IND AS.
2. Madhya Bharat Power Corporation Limited has provided provision for free power obligation of 9 % worked out on total energy charges during the FY 2021-22. However since same is payable on total sale proceeds net of transmission charges. Accordingly balance short provision of ₹4.48 Crore pertaining to FY 2021-22, is being adjusted from reserves during the current FY as per IND AS.
3. As per the terms of Power Purchase Agreement (PPA), Madhya Bharat Power Corporation Limited shall supply power at full operation load of 113 MW for assured minimum period of 3 peak hours per day for assured period of 285 days in a year to power purchaser. In case of failure to do, the company shall pay to power purchaser for the deficit in supply of units during peak hours. Accordingly Madhya Bharat Power Corporation Limited. has made necessary provisions for the FY 2022-23 in the financial statement . However provision amounting to ₹5.87 Crore for the FY 2021-22 is being adjusted from opening balance of reserves (retained earnings) as per IND AS.

Note 39 : INCOME TAX EXPENSE

- a) Current tax expense

i) Income tax recognized in profit or loss

(₹ in Crore)

	31st March 2023	31st March 2022
Current year	221.39	261.03
Adjustment for prior periods	0.15	-
Deferred tax expense		
Origination and reversal of temporary differences	(19.74)	38.76
Total income tax expense	201.80	299.79

ii) Income tax recognized in OCI

	31st March 2023	31st March 2022
That will not be reclassified to profit or loss	0.34	(0.01)
That will be reclassified to profit or loss	0.79	0.83
Total income tax expense relating to OCI items	1.13	0.82

- b) Reconciliation of tax expense and accounting profit

	31st March 2023	31st March 2022
Accounting profit before tax from continuing operations	806.84	1,108.02
Accounting profit before tax	806.84	1,108.02
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	210.14	278.87
Adjustments in respect of current income tax of previous years	0.15	-
Exempted Income not considered for tax purpose	(4.48)	(6.06)

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(₹ in Crore)

	31st March 2023	31st March 2022
Expense Allowable for tax purpose	(32.22)	(22.83)
Expense not allowed for tax purpose	27.22	26.02
Deduction under Chapter VIA	(5.47)	-
Income not considered for tax purpose other than PGBP	18.22	0.28
Effect of different overseas rates	12.98	11.96
Income Taxable at special rate of tax	(4.99)	(27.21)
Other temporary differences	(19.74)	38.76
Effective income tax rate	25.01%	27.06%
Income tax reported in the statement of profit and loss	201.80	299.79
	201.80	299.79

c) Reconciliation of deferred tax assets/ Liabilities

Deferred tax relates to the following:

	31st March 2023	31st March 2022
Opening balance as at 1st April	123.91	85.13
Accelerated depreciation for tax purposes	2.58	53.79
Expenses allowed on payment basis	(0.70)	(0.75)
DTA impact on indexation of land	(0.94)	(1.02)
DTA impact on net movement, Valuation & others	(22.91)	31.68
MAT Credit Adjusted	-	(44.92)
	(21.97)	38.78
Closing balance as at 31st March	101.94	123.91

Note 40 : CONTINGENT LIABILITIES

	Year ended 31st March 2023	Year ended 31st March 2022
Guarantees given by group's bankers	365.08	364.81
Bills discounted with the group's bankers under Letters of Credit	26.21	48.01
Claims against the group not acknowledged as debt & disputed in appeals	35.86	58.25
Excise Duty & Service Tax Demand	19.75	21.86
VAT, CST & Entry Tax	15.17	9.78
Income Tax	16.49	40.98
Electricity Duty	11.26	11.26
Energy Development Cess	80.63	74.86
Relinquishment Charges of 156 MW LTA for Kolam Power Plant	120.36	120.36

i) 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 writ 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.

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ii) 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.

iii) Electricity Duty

In the case of Sarda Metals & Alloys Limited, Electricity Duty ₹11.26 Crore (P.Y. ₹11.26 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.

iv) Energy Development Cess

Energy Development Cess of ₹80.63 Crore (P.Y. ₹74.86 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

For Madhya Bharat Power Corporation Limited, 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 08.03.2019 in Petition No. 92/MP/2015 for determination of relinquishment charges. In pursuance of the said Order, PGCIL (CTU) has imposed a relinquishment charge of ₹21.83 crore on MBPCL for the stranded capacity vide its letter dated 27.12.2019. Similar relinquishment charges have been levied on many other IPPs as well. Against the above stated CERC Order, MBPCL along with Association of Power Producers (APP) and other entities have filed appeal to APTEL (Appellate Tribunal for Electricity) for review of CERC order.

Subsequently, the Company had re-applied for Open Access for transmission of power from 96 MW RHEP 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 ASSETS

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.

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-

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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 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 2023	31st March 2022
Trade and other receivables	182.02	168.75
Loans and advances	339.48	439.98
Bank, cash and cash equivalents	372.06	281.53

Impairment losses

	31st March 2023	31st March 2022
Trade and other receivables (measured under life time expected credit loss model)		
Opening balance	3.54	3.33
Provided during the year	0.11	0.21
Closing balance	3.65	3.54

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Ageing analysis*

(₹ in Crore)

	31st March 2023	31st March 2022
Upto 3 months	183.71	170.33
3-6 months	0.04	0.04
More than 6 months	1.91	1.91
	185.66	172.28

*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:

	31st March 2023	31st March 2022
Term Loan - IDBI/ IREDA	161.31	107.88
Cash Credit facility	233.16	229.68
Current investments	210.57	274.03

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 2023	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	343.93	1,063.04	-	1,406.97
Trade payables	134.71	-	-	134.71
Security deposits	30.52	10.61	-	41.13
Other financial liabilities	135.15	-	-	135.15
	644.31	1,073.65	-	1,717.96
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

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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 2023	31st March 2022
Variable rate borrowings	1,407.97	1,485.98
Fixed rate borrowings	-	94.56

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	
	2022-23	2021-22
Interest rates - increase by 70 basis points	(3.05)	(3.40)
Interest rates - decrease by 70 basis points	3.05	3.40

Currency Risk

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Currency in Crore

	Currency	2022-23	2021-22
Bank Loans	USD	(0.05)	(0.03)
Trade & Other Payables	USD	(0.36)	(0.07)
	AED	(0.78)	(1.03)
Investment held for Trading	USD	1.45	1.23
	AED	1.02	1.62
Investment in associate	USD	0.28	0.28
Trade & Other Receivables	USD	0.64	0.68
	AED	0.00	0.13
Cash & Cash Equivalents	USD	0.00	0.08
	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	
	2022-23	2021-22
Foreign exchange rates - increase by 1%	0.02	1.74
Foreign exchange rates - decrease by 1%	(0.02)	(1.74)

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Price Risk

The entity is exposed to equity price risk, which arises out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2% increase in the index at the reporting date on profit & loss would have been an increase of ₹7.06 Crore (2021-22: ₹7.34 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 ₹0.67 Crore (2021-22: ₹0.54 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.

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 2023	31st March 2022
Total liabilities	1,406.97	1,580.57
Less : Cash and cash equivalent	7.86	216.16
Net debt	1,399.11	1,364.41
Total equity	3,510.32	3,107.51
Net Debt to Equity ratio	0.40	0.44

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

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(₹ in Crore)

Note 44 : FINANCIAL INSTRUMENTS**A. Accounting classification and fair values**

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotized Cost*	Total	Level 1	Level 2	Level 3	Total
31st March, 2023								
Financial assets								
Bank, cash and cash equivalents	-	-	372.06	372.06				-
Non-current investments								
Unquoted Equity Investments		33.55	35.89	69.44		33.55		33.55
Quoted Mutual Funds	0.25			0.25	0.25			0.25
Current investments								
Quoted Investments	210.58			210.58	210.58			210.58
Investments held for trading	142.01			142.01		142.01		142.01
Financial Asset: Loans & others			412.15	412.15				-
Trade and other receivables			182.02	182.02				-
	352.84	33.55	1,002.12	1,388.51	210.83	175.56	-	386.39
Financial liabilities								
Long term borrowings			1,063.04	1,063.04				-
Short term borrowings			343.93	343.93				-
Trade and other payables			134.71	134.71				-
Other financial liabilities			172.71	172.71				-
	-	-	1,714.39	1,714.39	-	-	-	-
31st March, 2022								
Financial assets								
Bank, cash and cash equivalents	-	-	281.54	281.54				-
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 Investments	323.03			323.03	323.03			323.03
Investments held for trading	128.87			128.87		128.87		128.87
Financial Asset: Loans & others			439.98	439.98				-
Trade and other receivables			168.75	168.75				-
	452.15	27.15	911.14	1,390.44	323.28	156.02	-	479.30
Financial liabilities								
Long term borrowings			1,194.66	1,194.66				-
Short term borrowings			385.91	385.91				-
Trade and other payables			212.25	212.25				-
Other financial liabilities			173.87	173.87				-
	-	-	1,966.69	1,966.69	-	-	-	-

* The carrying value and the fair value approximates.

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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 (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.

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

Note 54 : DISTRIBUTION MADE AND PROPOSED:

(₹ in Crore)

	31st March 2023	31st March 2022
Dividends on equity shares declared and paid:		
Final dividend paid during the year ended on 31st March 2023: ₹ Nil share (31st March 2022: ₹7.50 per share)	-	27.04
Interim dividends on Equity shares:		
Interim dividend for the year ended on 31st March 2023 : ₹ NIL per share (31st March 2022 : ₹7.50 per share)	-	27.04
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31st March 2023: ₹ 15 per share (31st March 2022: ₹Nil per share)	52.86	-

Note 55 :

Previous year figures have been regrouped/rearranged wherever necessary.

Signature to Notes 1 to 55

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

27th May,2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May,2023

P. K. Jain

Wholetime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Notes

to consolidated financial statements for the year ended 31st March, 2023

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	58.82	2,065.32	98.11	592.61	49.34	(0.55)	98.22	592.06
Subsidiary								
Indian								
SMAL - Sarda Metals & Alloys Limited	10.97	384.98	(3.12)	(18.87)	56.39	(0.61)	(3.23)	(19.48)
SEL - Sarda Energy Limited	2.65	92.88	0.90	5.43	-	-	0.90	5.43
CHIPPL - Chhattisgarh Hydro Power LLP	3.63	127.43	4.10	24.74	1.41	(0.02)	4.10	24.73
MBPCL - Madhya Bharat Power Corporation Limited	15.12	530.74	0.63	3.80	3.46	(0.04)	0.62	3.76
PPL - Parvatiya Power Limited	1.09	38.22	0.25	1.49	(2.54)	0.03	0.25	1.52
SHIPPL- Sarda Hydro Power LLP	0.01	0.48	(0.00)	(0.00)	-	-	(0.00)	(0.00)
SRE LLP - Shri Ram Electricity LLP	0.11	3.73	0.01	0.03	-	-	0.01	0.03
NREPL- Natural Resources Energy Private Limited	(0.01)	(0.45)	(0.05)	(0.30)	-	-	(0.05)	(0.30)
Foreign								
SEMHKL - Sarda Energy & Minerals Hongkong Limited	4.77	167.52	0.18	1.10	-	-	0.18	1.10
SGV - Sarda Global Venture Private Limited	(0.18)	(6.28)	(0.90)	(5.42)	15.53	(0.17)	(0.93)	(5.59)
SGT-Sarda Global Trading DMCC	0.16	5.51	(0.24)	(1.43)	-	-	(0.24)	(1.43)
Joint Venture-India								
RICL- Raipur Infrastructure Company Limited	-	-	(0.05)	(0.28)	(33.86)	0.37	0.01	0.08
MSCCL- Madanpur South Coal Company Limited	-	-	0.72	4.35	12.08	(0.13)	0.70	4.22
Associates - Foreign								
PT. Tagadaya Minergy			(0.85)	(5.13)	0.00	0.00	(0.85)	(5.13)
Minority Interest in all subsidiaries	2.86	100.24	0.31	1.86	(1.81)	0.02	0.31	1.88
	100.00	3,510.32	100.00	603.98	100.00	(1.10)	100.00	602.88

Notes

to consolidated financial statements for the year ended 31st March, 2023

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 31.03.2023

S. No.	Particulars/Name of the Subsidiary Company	SEMHLK	SGV	SGT	SMAL	CHP LLP	PPL	MBPCL	SEL	SRE LLP	SHPLLP	NREPL
		Hongkong 31.03.2023	Singapore 31.03.2023	Dubai 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023	India 31.03.2023
1	Financial year of the Subsidiary Company/LLP ended on	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
2	Date from which it became Subsidiary Company/LLP											
3	Capital	0.56	28.30	1.88	21.02	127.38	1.54	243.44	0.72	3.58	0.51	0.01
4	Reserves & Surplus	166.97	(34.58)	3.63	363.97	0.05	36.68	287.30	92.16	0.15	(0.03)	(0.46)
5	Total Assets	171.93	23.31	23.04	962.20	288.20	65.29	1,612.97	109.43	4.37	0.65	50.78
6	Total Liabilities	167.52	(6.28)	5.51	384.98	127.43	38.22	530.74	92.88	3.73	0.48	(0.45)
7	Investments	119.28	-	22.73	-	-	32.11	-	92.67	-	-	-
8	Turnover	1.80	-	10.12	1,026.02	43.97	9.20	268.62	15.04	0.10	0.04	0.67
9	Profit before Taxation	1.10	(5.42)	(1.43)	(28.11)	27.54	2.83	4.65	5.43	0.10	(0.00)	(0.81)
10	Provision for Taxation	-	-	-	(9.24)	2.80	(0.09)	0.16	-	0.03	-	(0.22)
11	Profit After Taxation	1.10	(5.42)	(1.43)	(18.87)	24.74	2.92	4.49	5.43	0.07	(0.00)	(0.59)
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%	51.00%
14	Whether commenced operation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	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 31.03.2023, i.e. 1US\$ = ₹82.18 [SGV and SEMHLK] and 1AED = ₹22.38 [SGT]

Notes :

- 1 SEMHLK - Sarda Energy & Minerals Hongkong Limited
- 2 SGV - Sarda Global Venture Pte. Limited
- 3 SGT-Sarda Global Trading DMCC
- 4 SMAL - Sarda Metals & Alloys Limited
- 5 SEL - Sarda Energy Limited
- 6 CHPPL - Chhattisgarh Hydro Power LLP
- 7 MBPCL - Madhya Bharat Power Corporation Limited
- 8 PPL - Parvatiya Power Limited
- 9 SHPLLP- Sarda Hydro Power LLP
- 10 SRE LLP - Shri Ram Electricity LLP
- 11 NREPL- Natural Resources Energy Private Limited

Notes

to consolidated financial statements for the year ended 31st March, 2023

(₹ 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 31.03.2023

S. No.	Particulars/Name of the Associate	PT. Tagadaya Minerals, Indonesia
1	Financial year of the Subsidiary Company/LLP ended on	31st March 2023
2	Share of associates held by the company on the year end	
	No.	52,733
	Amount of Investment	23.19
	Extend of Holding %	49.00%
3	Networth	5.38
4	Profit/(Loss) for the year	
	i. Considered in Consolidation	(5.13)
	ii. Not Considered in Consolidation	-
5	Whether commenced operation	Yes

Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part B of Companies (Accounts) Rules, 2014 in respect of the Subsidiary Companies / associates/ Joint venture

Summary of Financial Information of Joint Ventures As on 31.03.2023

S. No.	Particulars/Name of the Joint Ventures	RICL	MSCCL
		India	India
1	Financial year of the Subsidiary Company/LLP ended on	31st March 2023	31st March 2023
2	Share of Joint Ventrues held by the company on the year end		
	No.	1,30,800	1,30,742
	Amount of Investment	7.07	5.62
	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

27th May,2023

K. K. Sarda

Chairman &

Managing Director

DIN: 00008170

Raipur

27th May,2023

P. K. Jain

Wholtime Director &

CFO

DIN: 00008379

Manish Sethi

Company Secretary

ACS 18069

Glimpse of our operations





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