



**On
Course...**

Sarda Energy & Minerals Limited

46th Annual Report 2018-19

Where will you find?

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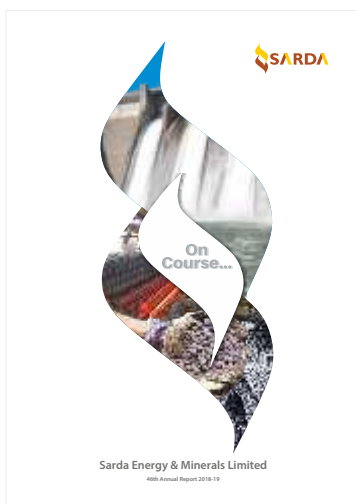
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Forward looking statement

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, which the readers should take note of. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.



Scan this QR code from your smartphone to access our annual report

...towards the next growth trajectory

It was yet another year of landmark performance!



6 lakh tonne

Pellet production, operating at 100% capacity utilisation



3.02 lakh tonne, + **9** %

Sponge iron production



1.56 lakh tonne, + **15** %

Consistently achieving highest ever steel billet production



1.18 lakh tonne, + **5** %

Highest ever wire rod production



1,076 Mn Kwh + **7** %

Highest ever thermal power generation



85 Mn Kwh + **3** %

Highest ever hydro energy generated



Our consistent endeavours towards efficiency improvements, coupled with strong demand, led to improved capacity utilisations, better volumes and higher realisations.



We are now on course to explore the next BIG thing – the emerging opportunity from the Hydro Power Business. We are competitively paced to leverage the favourable regulations in this segment and look forward to define our next growth trajectory.



As we move forward and boldly seize opportunities in a changing market place, we are confident that the actions we are taking will result in a stronger, better performing and more sustainable company going ahead.

CMD's Message



Dear Shareholders,

The year 2018-19 was yet another year of strong performance for us. A year in which there was delivery and growth across all our businesses. We are glad to report strong production and operational numbers this year as well.

On a consolidated basis, as against 2017-18, in 2018-19:

- Our revenues strengthened by 2.36% from ₹ 2,287 crore to ₹ 2,341 crore
- EBITDA grew 5.72%, from ₹ 472 crore to ₹ 499 crore
- PAT strengthened by 1% from ₹ 205 crore to ₹ 207 crore
- 0.62% growth in earnings per share from ₹ 56.01 to ₹ 56.36

While aiming for an efficient capital structure, we look to balance investments to sustain growth and also subsequently reward our esteemed shareholders by remaining committed to our dividend policy.

During 2018, India's economic performance was quite mixed. While the first half of the year, the economy continued to grow at a normal pace, it was in the second half that the growth slowed down owing to the challenges of rising oil prices, financial market volatility, rupee depreciation, slowing investment and consumption coupled with weak global economic growth. As a result, the GDP in 2018-19 was reported at 6.8%. There were

strategic policy shifts like 'Make-in-India' initiative to episodic disruptions such as demonetization to implementation of various policy reforms like ease of doing business, Insolvency and Bankruptcy Code (IBC), Real Estate Regulation Act (RERA) and Goods and Services Tax (GST). The Government in its earlier term was largely focused on repairing the stressed banking system and undertaking structural economic assets.

Despite this, not only has the economy registered high growth rates amongst other major economies, but has also ensured low inflation and adherence to fiscal prudence. Further to this, India improved its ranking on the World Bank's 'ease of doing business' report for the second straight year, jumping 23 places to the 77th position on the back of reforms related to insolvency, taxation and other areas. In its new term the Government has set an ambitious target of expanding India's economy from the current nearly \$3 trillion to \$5 trillion by 2024, owing to shift in consumer behaviour and expenditure patterns. With an enormous population, favourable demographics and high catch-up potential due to low initial GDP per head, India will continue to rise in the global GDP league table in the coming decades.

India's crude steel production surpassed 106 MT in 2018-19, surpassing Japan as the world's second-largest steel producing country. The Indian steel industry has



transformed substantially during 2018-19, with several mills changing ownership under IBC & capacity commissioning, as well as unveiling of new expansion plans by some of the Indian steel giants. Under the National Steel Policy 2017, the Government aims to ramp up steel-making capacity to 300 MT, while production at 255 MT and consumption to 160 kg by 2030. Currently, India's per-capita consumption stands at only 69 kgs, compared with the global average of 214 kgs. Looking at the near term view, the Economic Survey 2019 estimates the country's steel output to hit 128.6 million tonne (MT) by 2021 and consumption of the same to reach 140 MT by 2023, on the back of investments in infrastructure, construction, automobile sectors and increasing focus on the rural segment. The industry is heading towards consolidation with huge investments in capacity built up in order to cater to the underlying consumption potential.

Anticipating the positive industry backdrop, we successfully expanded our steel production capacities at Raipur. Our pellet capacities achieved the maximum permitted limit. We are further awaiting environment clearances for additional pellet capacities of 2 lakh MT. While this has been our story for few years now, its time we start talking about what's the next big thing that the Company is now heading to.

Our foray into hydropower through the commissioning of 24-megawatt hydropower plant at Gullu, in Chhattisgarh and our upcoming 96MW hydroproject in Sikkim will drive new venues of value creation. Dramatic changes are taking place in the Indian energy sector, particularly in the renewable segment. Increasing concerns about lower-carbon or non-emitting energy sources, such as gas and renewables, have increased the importance of hydro power. Besides, the Government has approved the following changes in the hydro power policy:

1. A separate hydropower purchase obligation (HPO) is proposed for distributors/captive consumer of conventional power. Present renewable purchase obligation can be met from any of the wind, biomass or small hydropower.
2. All new hydro power projects commissioning after notification of this policy shall be treated as renewable energy projects and power purchased from these projects will meet the HPO under the relevant regulations.
3. The licence period of the hydropower projects shall be increased to 40 year. Escalation of 2% per annum shall be granted on the tariff by back loading the tariff.

The 96 MW hydro power project of Madhya Bharat Power Corporation Limited– subsidiary of the Company, shall be

eligible for all above benefits and these policy changes will improve its economic viability substantially. This would increase our cash flows further and strengthen our hands to avail any possible inorganic growth opportunities.

We strive to create and maintain a safe operating culture where safety is a top priority at all our activities. This is not only safer for people and the environment – it also improves the reliability of our assets. We work to attract, motivate, develop and retain the best talent available and equip our people with the right skills for the future. Our performance and ability to thrive depends on it. Our consistent focus on efficiency improvement and cost reduction over the past six-seven years has delivered positive outcomes. Besides we have also been giving an equal attention to the safety and environment, waste recycling and improving recoveries, leading to strengthening of margins.

This is the beginning of the next exciting chapter in the Company's success story. While there is much to do, the Company has the track record, capabilities and determination to deliver. As we progress ahead and boldly seize opportunities in a changing marketplace with strong operational efficiencies, we are confident that the actions we are taking will result in a stronger, better performing and more sustainable Enterprise.

As a responsible corporate, we have always given an equal attention to the communities residing at our plant's vicinity. We have sponsored schools in the tribal areas of Chhattisgarh for providing basic education, medical facilities and primary healthcare facilities across villages. We also operate a well-equipped ambulance with doctors and have set up basic first-aid facilities in the villages surrounding our iron ore mine. We have extended financial assistance for educational purposes including infrastructure facilities, salaries to teachers, bus facilities for children, etc.

As a closing note, I would simply like to state that we have been strategically expanding our ongoing operations and scouting for future growth opportunities. I would like to acknowledge the efforts of our employees and the leadership team for successfully implementing company's execution strategies. I also thank the respected Board Members for their able guidance. And, lastly, I would like to thank our stakeholders for their continuous support and belief in us.

Yours sincerely,

Kamal Kishore Sarda

Board of Directors



Kamal Kishore Sarda
CMD

Mechanical Engineer with 43 years experience in Iron and Steel Industry. He is responsible for steering SEML towards the path of growth.



Asit Kumar Basu
Independent Director

BME graduate with 41 years of experience in the field of finance. Ex Chief General Manager of IDBI Bank.



C K Lakshminarayanan
Independent Director

An Engineer with experience spanning across various institutions like ST CMS Electric, IDBI etc.



**Gajinder Singh Sahni***Independent Director*

Post Graduate from Cardiff University. Retired IAS officer from Madhya Pradesh Cadre and former MD, MSIDC & MP, Cabinet Secretariat, Govt of India.

**Jitender Balakrishnan***Independent Director*

PGDM in Industrial Management. Ex DY.MD, IDBI Bank, having wide experience in the field of Oil & Gas, Refineries, Power, Steel, etc.

**Rakesh Mehra***Independent Director*

FCWA with over 35 yrs of experience in finance & accounting. Ex GM, Madhya Pradesh Audhyogik Vikas Nigam.

**Uma Sarda***Director*

Arts graduate with specialisation in Home Science. Active member of NGO that works for primary education and healthcare of tribal people.

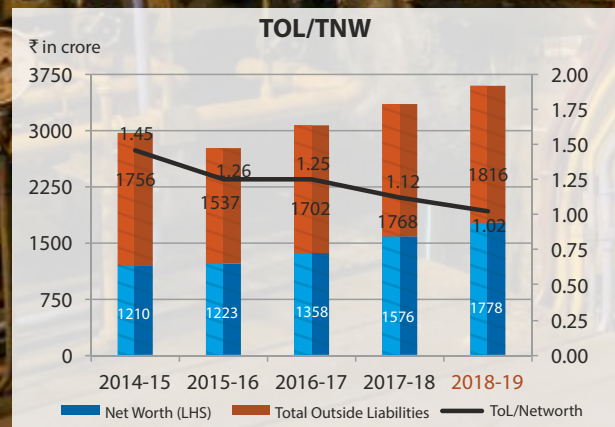
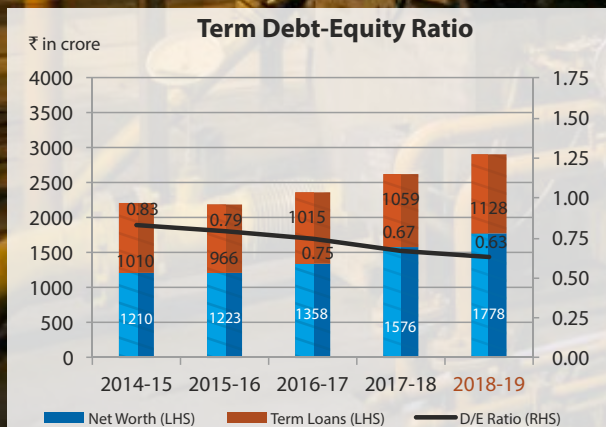
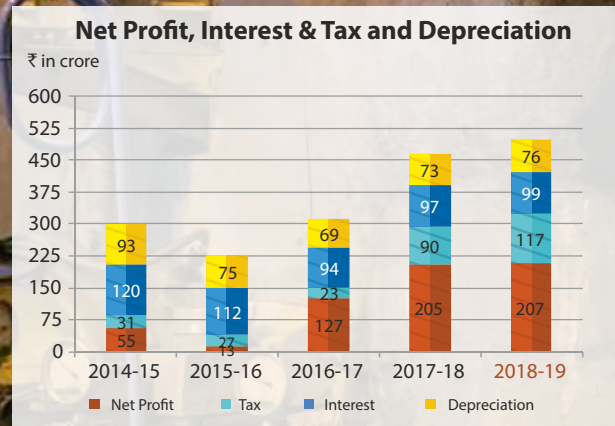
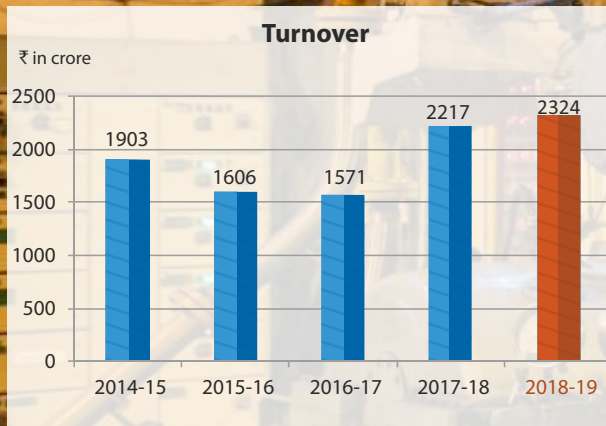
**Pankaj Sarda***Jt. Managing Director*

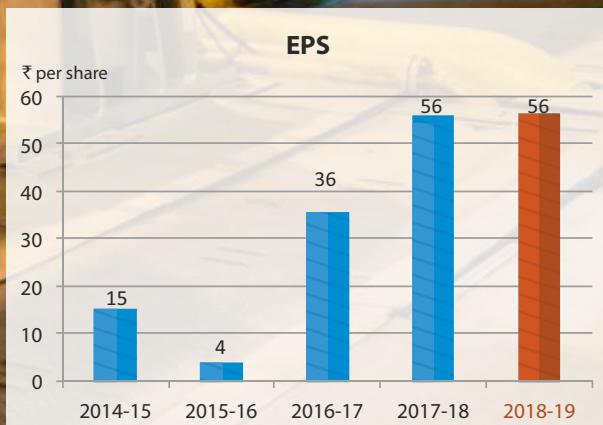
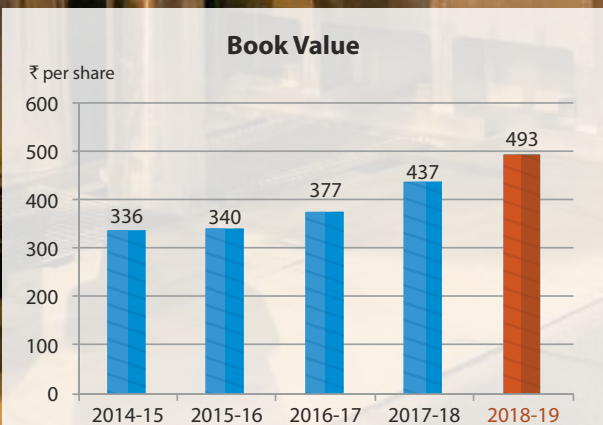
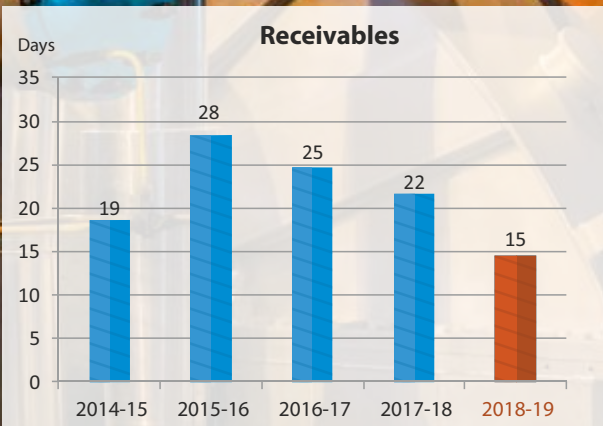
MS in Industrial Administration from Purdue University, USA, with industry experience of nearly 16 years.

**Padam Kumar Jain***Director and CFO*

CA, CS with a rich experience of 33 years in the field of accounting, finance, taxation, costing and corporate laws.

Consolidated Performance





Hydro power - the next growth trajectory



The industry potential – largely untapped

India's installed hydro capacity at the end of 2018 was around 45,400 MW, contributing to just 13% of country's total installed capacity. India is blessed with immense amount of hydro-electric potential and ranks 5th in terms of exploitable hydro-potential on global scenario. As per assessment made by CEA, India is endowed with economically exploitable hydro-power potential to the tune of 148,700 MW of installed capacity.



How SEML is geared up to utilise the hydro power potential

- With the completion of the 96 MW hydro power project in Sikkim, the Company will have a bouquet of sustainable cash generating hydro-power assets with a total capacity of 126 MW
- Plans to have a total Hydropower portfolio in excess of 200 MW in the next 5 years.
- Hydropower helps in diversifying revenue stream further and also provides more sustainability to Profit margins
- The commissioning of the Sikkim project will help the Company unlock capital for future value creation.



Corporate Information

Board of Directors

Mr. K. K. Sarda	<i>Chairman & Managing Director</i>
Mr. Pankaj Sarda	<i>Jt. Managing Director</i>
Mr. P. K. Jain	<i>Wholetime Director & Chief Financial Officer</i>
Mrs. Uma Sarda	} <i>Independent Directors</i>
Mr. A. K. Basu	
Mr. C. K. Lakshminarayanan	
Mr. G. S. Sahni	
Mr. Jitender Balakrishnan	
Mr. Rakesh Mehra	

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
Mahalaxmi Cloth Market
Pandri, Raipur (C.G.) 492001

Secretarial Auditors

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

Internal Auditors

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

Bankers

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

Registered Office

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Phone: +91-891-2858200
Fax: +91-891-2700864

Hongkong Office

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Central Hongkong

Singapore Office

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

Directors'

Report

Dear Shareholders,

Your directors take pleasure in presenting the 46th Annual Report on business and operations of your Company for the financial year ended 31st March, 2019.

Financial Performance

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	1,653	1,515	2,324	2,217
Exports	124	68	637	622
EBIDTA	406	361	499	472
Depreciation	50	49	76	73
Finance cost (Net)	35	36	99	97
Exceptional item - (income) /expense	-	8	-	8
Profit before tax	321	268	324	294
Provision for tax	106	80	117	90
Net Profit	215	188	207	206

Review of performance

In 2018, global crude steel production reached 1,808.6 MnT, an increase of 4.6% over 2017. This increase is primarily due to growth in steel consumption in infrastructure activities. China continued to be the world's largest crude steel producer, contributing to 51.3% of the global crude steel production. Crude steel production in India reached 106.5 MnT, showing an increase of 4.9% over the previous year, making India the second largest crude steel producing country.

Despite slowdown in global economy, steel demand increased by 2.1% in 2018. The increase over 2017 was mainly supported by government stimulus and better than expected economic activity in China. However, growth in developed economies slowed to 1.8% in 2018. In 2018 the EU was net importer of steel at 16.9 MnT. Exports from China to the rest of the world decreased again in 2018 to 68.8 MnT. Changing trade flows in the global steel market have caused an increase in the amount of anti-dumping measures. Growth of steel demand in the global market will be influenced by general economic recovery & the impact of trade war. With low debt burden your Company should be able to absorb any negative market sentiments.

Steel demand in India is expected to grow at 7% in 2019, driven by growth across sectors such as railways, roadways & infrastructure, based on emphasis laid down by Government of India. Industry consolidation through the Insolvency and Bankruptcy Code, 2016, is expected to lead to improved discipline in the market place and stable pricing.

The year gone by has been historic in terms of achievements. During the year your Company scaled new highs in production in most products. The production of other products was also in line with previous year. During the year, the Company had the benefit of full year of operation of the new turbine replaced in March, 2018. The Company also operated its iron ore mine for the full year. Your Company fulfilled all its financial obligations on time. The Debt-Equity ratio of your Company as on 31st March, 2019 stood at 0.08:1 as against 0.10:1 in the previous year.

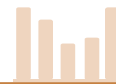
During the year, your Company at standalone levels, exported 10,441 MTs of ferro alloys as against 8,578 MTs in previous year. During the year, your Company exported 53,790 MTs of iron ore pellets through merchant exporter as against 15,195 MTs in the previous year.

Stakeholders are requested to refer the detailed analysis of the performance given in the Management Discussion and Analysis Report appended hereto.

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company. Further, there was no change in the nature of the business of the Company during the year.

Dividend

Your Directors are pleased to recommend dividend of ₹ 5/- (i.e. 50%) per equity share for the financial year 2018-19 (last year ₹ 5/- per equity share). The dividend if approved by the shareholders in the ensuing Annual General Meeting will be paid as per the applicable provisions.



Directors' Report

During the year under review, your Company has not transferred any amount to General Reserves. Further, your Company has transferred the unpaid dividend amount in respect of the F.Y. 2010-11 to the Investor Education and Protection Fund.

Subsidiaries / Controlled Entities / Joint Ventures

During the year under review -

- your Company accorded its approval for strike off of two of its subsidiaries, namely, Raipur Fabritech Private Limited and Raipur Industrial Gases Private Limited, as there was no business in those entities. The strike-off applications are pending for approval.
- due to further allotments to your Company towards its commitment in the project cost, there is a slight increase of 1.39% in the stake of your Company in Madhya Bharat Power Corporation Limited.

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

Subsidiaries

- **Sarda Energy & Minerals Hongkong Limited, Hongkong (SEMHLK)**, is a wholly owned subsidiary, functioning as global investment arm of your Company. During the year under review, the subsidiary reported a net profit of ₹ 7.20 crore as against net profit of ₹ 14.27 crore in the previous year. The company has paid a dividend of USD 2.60 Mn during the year (Pr. Year USD 2.25 Mn).
- **Sarda Global Venture Pte. Limited, Singapore (SGV)**, a wholly owned subsidiary, has acquired economic interest in coal mines in Indonesia. The company is having JV with Indorama group for the coal mine in Indonesia. During the year under review the venture extracted 5,00,004 MTs (PY 1,23,656 MTs) of coal. The subsidiary reported a net profit of ₹ 0.95 crore as against net loss of ₹ 1.63 crore in the previous year.
- **Sarda Global Trading DMCC, Dubai (SGT)**, a wholly owned subsidiary, has been incorporated in March, 2018 with the object of trading in metal ores and firewood. Your Company has paid the initial capital in SGT during the year under review. The Company is yet to start its activities. The subsidiary reported a net loss of ₹ 1.23 crore.
- **Sarda Metals & Alloys Limited (SMAL)**, a wholly owned subsidiary, operating 2 x 33 MVA Ferro Alloys plant backed by 80 MW captive thermal power plant enjoys a TWO Star Export House status. During the year, power generation was 524.28 MU as compared to 499.37 MU in the previous year. The ferro alloys production stood at 79,585 MTs as against 83,760 MTs in the previous year. The Ferro Manganese market was subdued because of dumping of cheaper imports mainly from countries like South Korea. As a result the company did not produce Ferro Manganese in the year which requires lesser specific power. This led to the marginal drop in production in the year as compared to previous year. However captive consumption of Power was 331.71 MU as against 329.54 MU in previous year indicating no drop in operational levels of furnaces.

Because of improvement in power demand the company was able to achieve PLF of 74.81% against PLF of 71.26% in previous year.

During the FY 2018-19, the Company exported 69,844 MTs ferro alloys against 77,809 MTs in the previous year and achieved export of ₹ 512.91 crore in FY 2018-19 as against ₹ 554.85 crore in the PY. The drop in exports is mainly because of subdued market conditions coupled with the ongoing Trade war.

During the year, the Company has reported a net profit of ₹ 5.90 crore as against Profit of ₹ 16.59 crore in P.Y. The fall in the profit was on account of the increased cost of raw material, particularly coal. The company has met all its financial obligations to its lenders on time.

- **Sarda Energy Limited (SEL)**, a wholly owned subsidiary was incorporated as an SPV to put-up 1320 MW super critical IPP thermal power project in Chhattisgarh. As reported earlier, the company has abandoned the project. The funds lying idle with the Company have been invested in Madhya Bharat Power Corporation Limited as part of promoters' contribution. During the year under review, the subsidiary reported a net profit of ₹ 0.43 crore as against net profit of ₹ 0.20 crore in the previous year.
- **Parvatiya Power Limited (PPL)**, is operating 4.8 MW Loharkhet Hydro Power project in Bageshwar district of Uttarakhand. The Plant is based on River Sarju. The Company has supplied 217.18 lakh KWh (Previous Year 182.67 lakh KWh) to the state grid. The Plant has achieved second highest generation in F.Y. 2019 which is marginally lower than highest recorded generation of 217.88 MU in the F.Y. 2011-12. The plant enjoys debt free operations since financial year 2017-18. The capacity of the Plant is being enhanced by installing additional unit of 3 MW. The

Directors' Report

Detailed Project Report has been submitted for approval of Uttarakhand Jal Vidyut Nigam Limited.

During the year, the Company has earned profit after tax of ₹ 2.76 crore (Previous Year ₹ 5.22 crore). The profit during the previous year was on higher side on account of reversal of the deferred tax liability. The company has made provision of ₹ 9.96 crore towards impairment in the value of investments. During the year, the Company has made investment in M/s Apex Equipments Private Limited resulting into increase in its holding in the Company from 6.50% to 16.30%. Your Company continues to hold 51% stake in PPL.

- **Madhya Bharat Power Corporation Limited (MBPCL)**, is implementing 96 MW (2X48) Rongnichu HEP near Gangtok in East Sikkim. It is a run of the river scheme based on the River Rongnichu. It is a CDM registered project. The construction works of the project are consistently progressing ahead. 12.60 kms long underground tunnel has been fully excavated except 13.39 metres left intentionally to be excavated at the end. Half of the concrete lining works is complete. Civil works of Barrage and Power House Complex is largely completed. Hydro-Mechanical works of Gates erection and penstock steel lining is underway. Supply and erection of power plant equipments is under progress. 24 out of 30 transmission line towers have been erected and stringing work is under progress. The project is expected to be operational before onset of next monsoon F.Y. 2021.

During year under review, your Company has infused ₹ 91.02 crore in MBPCL (₹ 42.04 crore by way of equity contribution and ₹ 48.98 crore by way of unsecured loan). Your Company holds 79.35% stake in the project (68.31% directly and 11.05% through its wholly owned subsidiary Sarda Energy Limited) as compared to 77.96 % in the previous financial year.

- **Natural Resources Energy Private Limited (NREPL)**, is an SPV to carry on the business of development of mines and minerals, generation and trading of power and infrastructure development. The company had participated in the auction of coal mines as an SPV. The entire share capital of the company is held by SEML and its wholly owned subsidiary SMAL.

Controlled Entities

- **Chhattisgarh Hydro Power LLP (CHP LLP)**, is engaged in implementation of small hydro power projects in the State of Chhattisgarh. The State has potential for hydro projects which is largely unexploited. This gives immense opportunity to the LLP as it has licenses for implementation of four small hydel power projects with total installed capacity of 98.76 MW.

The first 24 MW Gullu Small Hydro Electric Project has been commercialized in F.Y. 2017-18. The capacity of the Plant has been enhanced from 24 MW to 24.96 MW during the year under review. The Plant has been earning cash surplus from the very first year of its operation. It has generated healthy business returns supported by adequate fixed feed in tariff. During the year, the Plant has generated and supplied 632.95 lakhs units and has earned profit of ₹ 10.01 crore in its first full year of operations.

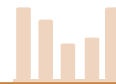
Amongst other allotted Projects, 24.90 MW Rehar-I SHP is in the most advance stage of take off. Various statutory clearances including Second stage (Final) forest clearance is in place. Pre construction activities like construction of labour camps, stores and guest house is complete.

Your Company holds 60% stake in the LLP as on 31st March, 2019. In the current year (2019-20), subsequent to restructuring of the LLP, your Company has increased its stake in the Company to 100% (72% directly and 28% through its wholly owned subsidiary, M/s Sarda Energy Limited).

- **Sarda Hydro Power LLP (SHP LLP)**, formerly, M/s Sarda Hydro Power Private Limited has been converted into LLP during the year. On its conversion, all the members of the company became the partners of the LLP and your Company continues to hold 60% stake in LLP. The LLP is implementing two small hydro projects namely, 24 MW Kotaiveera and 9 MW Ganeshpur Both the projects are under planning and development stage.
- **Shri Ram Electricity LLP (SRE LLP)**, was incorporated as a special purpose vehicle (SPV) for setting up a captive thermal power plant of 40 MW in the State of Chhattisgarh. In view of the cancellation of coal linkage for the power project, the LLP has dropped the project. The entity reported a net profit of ₹ 0.09 crore in line with the previous year. Your 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 private Railway Siding in Mandhar, Raipur. As already reported, railways has turned down request of the company for renewal of the existing lease agreement in view of requirement of loopline at the station. The company is pursuing with the Railways for getting refund



Directors' Report

of ₹ 5 crore deposited as security for siding at Odisha. Your Company holds one third share in the Joint Venture. During the year 2018-19 the Company had incurred net loss of ₹ 3.70 crore as against net profit of ₹ 3.76 crore in the previous year.

- **Madanpur South Coal Company Limited (MSCCL)**, a SPV was allotted Madanpur South Coal Block in consortium. The Supreme Court had cancelled all coal block allotments. Consequent to cancellation of coal mines, there is no business left in the company and no other activity has been planned. MSCCL holds certain assets, including land, acquired for the project. MSCCL would be wound-up after disposal of these assets. Your Company holds 20.13% in the Joint Venture.

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

Consolidated financial statements

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

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

ESOP Scheme

During the year 2018-19, there were no options outstanding for exercise. Accordingly, the disclosures required to be made in the Directors' Report in respect of the aforesaid ESOP Scheme, are not applicable.

Directors

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Uma Sarda, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

Brief profile of Mrs. Uma Sarda, who is proposed to be appointed / re-appointed, nature of her expertise, names of the companies in which she holds directorships and her shareholding in the Company is provided in the Corporate Governance Report forming part of the Annual Report.

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

Further, during the year, the members of the Company by way of Special Resolution, through Postal Ballot, have also approved the re-appointment of the following Independent Directors for the term given against their respective names:

- Mr. Asit Kumar Basu – 5 years – w.e.f. 1st April, 2019
- Mr. C.K. Lakshminarayanan – 4 years – w.e.f. 1st April, 2019
- Mr. Gajinder Singh Sahni – 2 years – w.e.f. 1st April, 2019
- Mr. Jitender Balakrishnan – 5 years – w.e.f. 1st April, 2019
- Mr. Rakesh Mehra – 5 years – w.e.f. 1st April, 2019

Further, Mr. P.R. Tripathi, Independent Director has retired w.e.f. 1st April, 2019 consequent to crossing the age of 75 years. The Board takes on record its deep appreciation of the services rendered by Mr. P.R. Tripathi during his tenure as Director. He served on the Board of the company for 16 years.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act and the Listing Regulations.

Pursuant to the provisions of the Companies Act and the Listing Regulations, the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors. 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. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors. A

Directors'

Report

separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The evaluation of Independent Directors was carried out without the presence of concerned Director. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors. Key criteria's for performance evaluation are given in **Annexure A** to directors' report.

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

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

Familiarization programmes for Board Members

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

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

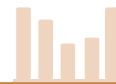
Quarterly presentations on operations made to the Board include information on business performance, operations, safety, market scenario, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory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

The policy on familiarization programmes for Independent Directors is posted on the website of the Company www.seml.co.in and can be accessed under the head corporate governance/policies under the Investors' section.

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2019, 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, 2019 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.



Directors' Report

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 2013-14 held on 29th September, 2014, 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 2019.

The Board of Directors, on the recommendation of the Audit Committee has, subject to the approval of the members re-appointed M/s. O.P. Singhania & Co. for a second term of five years from the conclusion of the ensuing 46th AGM till the conclusion of the 51st AGM. Accordingly, the Notice convening the ensuing AGM carries the required resolution along with the explanatory statement w.r.t. the proposed appointment of M/s. O.P. Singhania & Co. as statutory auditors. M/s. O.P. Singhania & Co., Statutory Auditors, have confirmed that they are eligible for being appointed as Statutory Auditors of the Company for the second term of five years.

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

Cost Auditors

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

The cost audit report for the financial year 2017-18 was filed with the Ministry of Corporate Affairs. M/s. S.N. & Co., Cost and Management Accountants, were appointed as the Company's Cost Auditor.

Your Directors have, on the recommendation of the Audit Committee, appointed M/s. S.N. & Co., Cost and Management Accountants, to audit the cost accounts of the Company on a remuneration of ₹ 1.75 lakh for the year 2018-19.

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

- i) for 2018-19 has been ratified by the members in the Annual General Meeting held on 21.09.2018.
- ii) for 2019-20 is being placed before the members in the ensuing annual general meeting for ratification.

Secretarial Auditor

The Board has appointed M/s. S.G. Kankani & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith marked as **Annexure D** to this Report.

With reference to the comment of the secretarial auditors regarding non-submission of information to Calcutta Stock Exchange, your Directors wish to inform that the Company had complied with all requirements for delisting of its shares from Calcutta Stock Exchange (CSE) in February, 2004. The delisting application is still pending on the part of CSE. In view of the pendency of delisting application, the Company has stopped sending any information to the Calcutta Stock Exchange and has also reported the matter to SEBI.

Further, in terms of requirement of regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report, for the financial year ended 31st March, 2019, in respect of Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited, the material subsidiaries of the Company, is annexed to this report, marked as **Annexure E** and **Annexure F**, respectively.

Corporate Social Responsibility (CSR)

With the objective of sustainable development and continual improvement, your Company adopts a voluntary and proactive approach to CSR to connect with the society by creating a sense of belonging. Your Company strives for sustainable development programs in partnership with the community.

Directors'

Report

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

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

Corporate Governance

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

Disclosures

Board/Committees/Vigil Mechanism

The Board of Directors met 6 (six) times during the financial year 2018-19. The details of the composition of Board of Directors, Corporate Social Responsibility Committee, Audit Committee, other committees of the Board, meetings of the board and committees and attendance of directors at the Board and committee meetings and implementation of Vigil Mechanism are given in the Corporate Governance Report forming part of this Annual Report.

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

Particulars of loans given, investments made and guarantees given are given in note no. 11, 44, 3, 7 and 39 to the standalone financial statements. The Company, in its capacity of promoter, has pledged 1,07,18,160 shares of Sarda Metals & Alloys Limited and 11,48,35,000 of Madhya Bharat Power Corporation Limited with the lenders of respective companies for loans granted to the them by the lenders. 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, 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 and all contracts were at arm's length and in ordinary course of business to further the business interests of the Company.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the report.

The Policy on materiality of related party transaction and dealing with related party transactions as approved by the Board may be accessed on the Company's website – www.seml.co.in under the head corporate governance/policies under Investor' 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

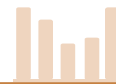
The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure H** to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure I** to this report. The same is also available on the Company's website at <http://seml.co.in/Corporate%20Governance/SEML%20-%20MGT%20-%202018-19.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



Directors' Report

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 J** 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 K** to this report.

Risk Management

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

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

General

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

1. Details relating to deposits covered under Chapter V of the Act;
2. Issue of equity shares with differential rights as to dividend, voting or otherwise;
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
5. 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;
6. 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;
7. 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;
8. 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].

Your Directors further 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

Your Directors place on record their gratitude for the valuable guidance and support rendered by various Government departments, Financial Institutions, Banks and various stakeholders, such as, shareholders, surrounding societies, customers and suppliers, among others. The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

On behalf of the Board of Directors

(K. K. Sarda)

Chairman & Managing Director

DIN: 00008170

Raipur

3rd August, 2019

Annexure 'A'

to the directors' report

Key Evaluation criteria

Evaluation of Board

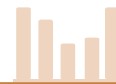
- Composition of the Board
- Procedures for Nomination and appointment of Board members and their remuneration
- Leadership by the Chairman of the Board
- Receipt of proper and timely information by the Board members
- Meaningful/active participation at board meetings
- Consideration of quality and appropriateness 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
- Team work 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 team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

II. Objective

The objectives of the Policy shall be to:

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

III. Guiding Principles

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

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

IV. Remuneration

1. General

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

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

Annexure 'B'

to the directors' report

e. Leave

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

f. Retirement benefits

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

g. Loans to employees

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

2. Remuneration to Whole-time / Managing Director

a. Fixed pay

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

b. Variable pay

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

c. Minimum Remuneration

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

d. Provisions for excess remuneration

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

e. Stock Options

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

3. Remuneration to Non- Executive / Independent Director

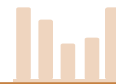
a. Remuneration / Commission

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

b. Sitting Fees

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

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



Annexure 'B'

to the directors' report

c. Stock Options

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

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

- 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 time 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/DMD of the Company or any other personnel that the CMD/DMD may deem fit to delegate.

V Remuneration Duties

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

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

VI Implementation

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

VII Policy Review

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

VIII Dissemination

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

Annexure 'C'

to the directors' report

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

Qualifications

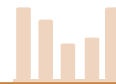
- i) diversity of thought, experience, knowledge, perspective, age and gender.
- ii) appropriate blend of functional and industry expertise.
- iii) Independent Directors ("ID") ideally should be thought/ practice leaders in their respective functions/ domains.

Positive attributes

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

Independence

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



Annexure 'D'

to the directors' report

Secretarial Audit Report for the financial year ended 31st March, 2019

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2018-19

[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 (MS)

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, 2019 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, 2019 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (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, 1984 and the rules made thereunder;

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

Annexure 'D'

to the directors' report

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

- a) **The Company has not submitted any information /documents with the Calcutta Stock Exchange.** In this regard we have been informed that the Company has applied for delisting of its shares from Cochin, Delhi and Calcutta Stock Exchanges in February, 2004. The Cochin and Delhi Stock Exchange have delisted the shares of the Company but the delisting application with the Calcutta Stock Exchanges is still pending. In view of the pendency of delisting application, the Company has stopped sending any information to the Calcutta Stock Exchange and has also reported the matter to SEBI.

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

requiring compliance thereof by the Company during the Financial Year.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws as applicable to the Company, has not been reviewed in this audit, since the same has been subject to review by statutory auditor and other designated professionals.

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

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

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

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

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

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

(CS KAMLESH OJHA)
PARTNER

ACS No. : 39476
CP No. : 14660

Raipur
3rd August, 2019



Annexure 'D'

to the directors' report

ANNEXURE-A to Secretarial Audit Report

To,
THE MEMBERS
M/S SARDA ENERGY & MINERALS LIMITED
CIN: L27100MH1973PLC016617
73-A, CENTRAL AVENUE
NAGPUR 440018 (MS)

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 the 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 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 representations about the compliance of laws, rules and regulation and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

(CS KAMLESH OJHA)
PARTNER

ACS No. : 39476
CP No. : 14660

Raipur
3rd August, 2019

Annexure 'E' to the directors' report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended 31st March, 2019

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2018-19

[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, 2019 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, 2019 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 a 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 compliance by the Company of applicable financial laws, like direct and indirect tax laws as applicable to the Company, has not been reviewed in this audit, since the same has been subject to review by statutory audit and other designated professionals.

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 alongwith 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.



Annexure 'E'

to the directors' report

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

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

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

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

(CS KAMLESH OJHA)

PARTNER

ACS No. : 39476

CP No. : 14660

Raipur

30th July, 2019

Annexure – To Secretarial Audit Report of Sarda Metals & Alloys Limited

To,
The Members
M/S SARDA METALS & ALLOYS LIMITED
CIN: U51420MH2008PLC187689
125, B-Wing, Mittal Court
Nariman Point, Mumbai - (MH)

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provides a reasonable basis for our opinion.
3. We have not verified the 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

(CS KAMLESH OJHA)

PARTNER

ACS No. : 39476

CP No. : 14660

Raipur

30th July, 2019

Annexure 'F'

to the directors' report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended 31st, March, 2019

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2018-19

[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, 2019 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, 2019 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.

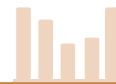
We further report that since the Company is a unlisted public limited company, therefore, the desired information under Securities and Exchange Board of India Act, 1992 and the regulations and guidelines prescribed thereunder & the Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made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

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws as applicable to the Company, has not been reviewed in this audit, since the same has been subject to review by statutory audit and other designated professionals.

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

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

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



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

(CS KAMLESH OJHA)
PARTNER

ACS No. : 39476
CP No. : 14660

Raipur
24th May, 2019

Annexure – To Secretarial Audit Report of Madhya Bharat Power Corporation Limited

TTto,
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 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

(CS KAMLESH OJHA)
PARTNER

ACS No. : 39476
CP No. : 14660

Raipur
24th May, 2019

Annexure 'G'

to the directors' report

Annual Report on CSR Activities

Brief Outline of CSR Policy

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.

The CSR Policy can be accessed on the Company's website – www.seml.co.in - under the head corporate governance / policies under the Investors' section.

CSR Committee

As per the requirement, your Company is required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising three or more directors with at least one being independent director. Your Company has a Board Committee (CSR Committee) that oversees the execution of CSR Policy to ensure that the CSR objectives of the Company are met. The Committee comprises of:

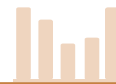
- ✓ Mr. G.S. Sahni, Chairman – Independent Director*
- ✓ Mr. K.K. Sarda
- ✓ Mr. Pankaj Sarda

* W.e.f. 1st April, 2019. Till 31st March, 2019, Mr. P.R. Tripathi (retired w.e.f. 1st April, 2019) was the Chairman.

Financial details

As per the Companies Act, 2013, the Company is required to spend at least 2% of the average net profits of the company's three immediately preceding financial years on CSR activities. The relevant details are as hereunder:

Particulars	Amount (₹ Lakh)
Average net profit of the Company for last three financial years	14,377.38
Prescribed CSR expenditure (2% of net profit as computed above) (including unspent amount of 2016-17 - ₹ 7.00 lakh)	294.55
Details of CSR Expenditure during 2018-19	
Total amount to be spent	294.55
Amount spent	294.71
Amount unspent	--



Annexure 'G'

to the directors' report

Details of CSR spent during the financial year 2018-19

S. No.	CSR Project or activity identified	Sector in which the project is covered (as per clauses of Schedule VII to Companies Act, 2013)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount Outlay	Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs. (2)Overheads	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through Implementing Agency
1	Healthcare	Clause (i)	Raipur and Dongarbore in Chhattisgarh	50.00	41.17	41.17	Direct/ Implementing agency [^]
2	Education	Clause (ii)	Raipur and Dongarbore in Chhattisgarh	150.00	138.92	138.92	Direct/ Implementing agency [*]
3	Environment	Clause (iv)	Raipur in Chhattisgarh	5.00	1.21	1.21	Direct
4	Empowering Women	Clause (iii)	Raipur in Chhattisgarh	5.00	13.56	13.56	Implementing agency [@]
5	Art & Culture	Clause (v)	Raipur in Chhattisgarh	20.00	16.35	16.35	Direct / implementing agency [#]
6	Armed Forces veterans	Clause (vi)	Contribution to Bharat Ke Veer Corpus Fund	1.00	15.00	15.00	Direct/ Implementing agency ^{\$}
7	Livelihood projects	Clause (ii)	Raipur in Chhattisgarh	2.00	1.26	1.26	Direct
8	Sports	Clause (vii)	Raipur Chhattisgarh	2.00	1.86	1.86	Direct
9	Rural development projects	Clause (x)	Raipur and Dongarbore in Chhattisgarh	50.00	56.33	56.33	Direct
10	Administrative Expenses	Office	Raipur	9.55	9.05	9.05	Direct
			Total	294.55	294.71	294.71	

[^] Shabri Sewa Sansthanam / Manav Seva Sansthan

^{*} Friends of Tribal Society / Trusts

[@] Female Jaju Trust

[#] Mahwshwari Samaj, Kunkuri /Others

^{\$} Bharat Ke Veer Corpus Fund

Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with CSR objectives.

K. K. Sarda
(Chairman & Managing Director)

G. S. Sahni
(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	
	i)	Medium Voltage drive provided in HA fan 1 Motor (400 KW, 6.6KV) for speed variation and as a result energy saved 1000 - 1100 KWH Units per day.
	ii)	VFD provided in Grizzly pump motor 1 & 2 or speed variation and as a result energy saved 300 - 310 KWH Units per day.
	SPONGE IRON PLANT	
	iii)	Energy saving LED light fixing in plant at various locations.
	iv)	500 TPD Coal Circuit modified only for Fines Coal feeding.
	v)	500 TPD PDB Room old viscous filter replaced by new energy efficient Cooling system.
ii) the steps taken by the company for utilising alternate sources of energy :	POWER PLANT	
	vi)	Replacement of TG- 03 to reduce specific steam consumption.
iii) the capital investment on energy conservation equipments :	₹ 5,340.04 lakh	

B. Technology absorption

i) The efforts made towards technology absorption :	i)	Elimination of Hydraulic coupler of HA fan 1 for speed variation by introducing Medium Voltage Drive technology.
	ii)	Up-gradation of Control Systems in Kiln - A, B & C by replacing old DCS Systems with Latest Single PLC System of Rockwell Automation for all 03 Kilns at SID.
	iii)	Automation of Power Changeover (From Main Power to DG Power & Vice-versa) through Auto DG (02 Nos.) Synchronization & Auto Operation of Circuit Breakers (as per pre-defined logic) at SID.
	iv)	Installation of new electrode column assembly (Make-Cometva) in furnace –E to increase the furnace availability at ferro alloys plant.
	v)	Installation of newly fabricated roll crusher feed hopper at pellet Plant.
	vi)	Pneumatic conveying system installed & commissioned for mixer bag filter dust conveying at Pellet Plant.
	vii)	Installed & commissioned pellet feeding system in FPC 2 conveyor at Pellet Plant.
ii) the benefits derived like product improvement, cost reduction, product development or import substitution :	Over & under size screen roller (60 Nos) – Indigenous party developed for same price with better quality (Hard chrome plating, 80-90 microns). Getting life 1.5 times than earlier.	



Annexure 'H'

to the directors' report

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

C. Foreign exchange earnings and outgo

Total foreign exchange earnings and outgo (₹ in crore)		
a) Foreign exchange earnings	:	₹ 156.31
b) Foreign exchange outgo	:	₹ 221.74

On behalf of the Board of Directors

Raipur
3rd August, 2019

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

Annexure 'I'

to the directors' report

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

CIN	L27100MH1973PLC016617
Registration Date	23.06.1973
Name of the Company	Sarda Energy & Minerals Limited
Category / Sub-Category of the Company	Public company / Limited by shares
Address of the Registered Office and contact details	73-A, Central Avenue, Nagpur (M.H.) 440018 Tel: +91-712-2722407
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building Opp. Basant Oasis, Makwana Road Marol, Andheri East, Mumbai - 400059, Maharashtra Tel: +91-22-6263 8200, Fax: +91-22-6263 8299 E-mail : investor@bigshareonline.com

II. Principal Business Activities of the Company

All the Business Activities contributing 10% or more of the total turnover of the Company shall be stated :

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Sponge Iron/Ferro Alloys/Billet/Wire-rod/ Iron ore Pellet	241 - Manufacture of basic iron and steel	95.66%

III. Particulars of Holding, Subsidiary and Associate Companies

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Sarda Energy & Minerals Hongkong Limited 5th Floor, Dah Sing Life Bldg.,99-105 Des Voeux Road, Central, Hongkong	NA	Subsidiary	100.00%	2(87)(ii)
Sarda Global Venture Pte. Limited 9, Raffles Place, #57-00, Republic Plaza, Singapore - 048619	NA	Subsidiary	100.00%	2(87)(ii)
Sarda Global Trading DMCC Unit No.1241, DMCC Business Centre, Level No.1, Jewellery & Gemplex 3, Dubai, UAE	NA	Subsidiary	100.00%	2(87)(ii)
Sarda Metals & Alloys Limited 125-B Wing, Mittal Court, Nariman Point, Mumbai	U51420MH2008PLC187689	Subsidiary	100.00%	2(87)(ii)
Sarda Energy Limited Vanijya Bhawan, 1st Floor, Sai Nagar Devendra Nagar Road, Raipur	U40102CT2008PLC000406	Subsidiary	100.00%	2(87)(ii)



Annexure 'I'

to the directors' report

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Madhya Bharat Power Corporation Limited E-585, Ground Floor, Greater Kailash - II, New Delhi	U74899DL1994PLC061349	Subsidiary	68.31%	2(87)(ii)
Parvatiya Power Limited 136 Khari Bazar, Ranikhet, Uttranchal	U40101UP1994PLC017151	Subsidiary	51.00%	2(87)(ii)
Sarda Hydro Power LLP# HIG Duplex House No. -2A Moulshri Vihar, Purenra Raipur	AAO-4263	Subsidiary	60.00%	2(87)(ii)
Raipur Fabritech Private Limited* 125-B Wing, Mittal Court, Nariman Point, Mumbai	U28910MH2011PTC221297	Subsidiary	52.38%	2(87)(ii)
Raipur Industrial Gases Private Limited* 125-B Wing, Mittal Court, Nariman Point, Mumbai	U40300MH2011PTC224871	Subsidiary	51.00%	2(87)(ii)
Natural Resources Energy Private Limited JMG House, Near Abhivadan House, Panchsheel Nagar, Raipur	U40101CT2007PTC020163	Subsidiary	71.55%	2(87)(ii)
Chhattisgarh Hydro Power LLP House No.A/02, VIP Road, Moul Shree Vihar, Raipur	AAA-2277	Subsidiary	60.00%	2(87)(ii)
Shri Ram Electricity LLP Vanijya Bhawan, 1st Floor, Sai Nagar, Devendra Nagar Road, Raipur	AAA-2517	Subsidiary	51.00%	2(87)(ii)
Raipur Infrastructure Company Limited Vanijya Bhawan, Sai Nagar Devendra Nagar Road, Raipur	U45203CT2004PLC016321	Associate	33.33%	2(6)
Madanpur South Coal Company Limited Vanijya Bhawan, Sai Nagar Devendra Nagar Road, Raipur	U10300CT2006PLC020006	Associate	20.13%	2(6)

Converted into LLP from Sarda Hydro Power Private Limited

* Companies under strike-off.

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

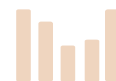
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	79,07,397	0	79,07,397	21.93	79,07,397	0	79,07,397	21.93	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	1,79,89,232	0	1,79,89,232	49.90	1,80,79,232	0	1,80,79,232	50.15	0.25
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00

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to the directors' report

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
f i) Firm	1,47,731	0	1,47,731	0.41	1,47,731	0	1,47,731	0.41	0.00
Sub-Total (A)(1) :	2,60,44,360	0	2,60,44,360	72.25	2,61,34,360	0	2,61,34,360	72.50	0.25
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2,60,44,360	0	2,60,44,360	72.25	2,61,34,360	0	2,61,34,360	72.50	0.25
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	31,570	2,500	34,070	0.09	19,515	2,500	22,015	0.06	(0.03)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	250	250	0.00	0	250	250	0.00	0.00
g) FIs	11,220	0	11,220	0.03	0	0	0	0.00	(0.03)
h) Foreign Portfolio Investors	9,81,771	0	9,81,771	2.72	7,87,587	0	7,87,587	2.18	(0.54)
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	10,24,561	2,750	10,27,311	2.85	8,07,102	2,750	8,09,852	2.25	(0.60)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	14,91,703	9,949	15,01,652	4.17	15,58,170	9,949	15,68,119	4.35	0.18
ii) Overseas	16,84,891	0	16,84,891	4.67	6,84,891	0	6,84,891	1.90	(2.77)
b) Individuals									
i) Individual Share holders holding nominal share capital upto ₹ 1 lakh	34,90,603	3,25,680	38,16,283	10.59	39,86,096	2,96,459	42,82,555	11.88	1.29



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to the directors' report

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	11,86,952	0	11,86,952	3.29	16,93,937	0	16,93,937	4.70	1.41
c) Others (specify)									
c i) NRIs	1,88,403	0	1,88,403	0.52	2,05,309	0	2,05,309	0.57	0.05
c ii) Directors & Relatives	1,11,219	7,841	1,19,060	0.33	1,12,019	7,841	1,19,860	0.33	0.00
c iii) NBFC's regd. with RBI	3,085	0	3,085	0.01	311	0	311	0.00	(0.01)
c iv) Clearing Member	3,49,441	0	3,49,441	0.97	4,06,813	0	4,06,813	1.13	0.16
c v) Trusts	500	0	500	0.00	1,700	0	1,700	0.00	0.00
c vi) IEPF	1,27,297	0	1,27,297	0.35	1,41,528	0	1,41,528	0.39	0.39
Sub-Total (B)(2):	86,34,094	3,43,470	89,77,564	24.90	87,90,774	3,14,249	91,05,023	25.26	0.35
Total Public Share holding (B)=(B)(1)+(B)(2)	96,58,655	3,46,220	1,00,04,875	27.75	95,97,876	3,16,999	99,14,875	27.50	(0.25)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	3,57,03,015	3,46,220	3,60,49,235	100.00	3,57,32,236	3,16,999	3,60,49,235	100.00	(0.00)

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding as on 01.04.2018			Shareholding at on 31.03.2019			% change
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Chhatisgarh Investments Limited	1,37,88,760	38.25	0	1,38,78,760	38.50	0	0.250
2	Sarda Agriculture & Properties Private Limited	26,35,150	7.31	0	26,35,150	7.31	0	0.000
3	Prachi Agriculture & Properties Private limited	15,65,322	4.34	0	15,65,322	4.34	0	0.000
4	G.D. Sarda	13,92,378	3.86	0	13,92,378	3.86	0	0.000
5	Kamal Kishore Sarda	13,09,149	3.63	0	13,09,149	3.63	0	0.000
6	J.K. Sarda	11,72,365	3.25	0	11,72,365	3.25	0	0.000
7	Shakuntala Sarda	10,14,518	2.81	0	10,14,518	2.81	0	0.000
8	Chhatisgarh Investments Limited (Firm)	1,47,731	0.41	0	1,47,731	0.41	0	0.000
9	Veena Sarda	7,02,350	1.95	0	7,02,350	1.95	0	0.000
10	Pankaj Sarda	6,91,107	1.92	0	6,91,107	1.92	0	0.000
11	Premlata Sarda	4,68,910	1.30	0	4,68,910	1.30	0	0.000

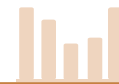
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Sl. No.	Shareholders Name	Shareholding as on 01.04.2018			Shareholding at on 31.03.2019			% change
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
12	Uma Sarda	4,89,425	1.36	0	4,89,425	1.36	0	0.000
13	Dr. K.K. Rathi	6,000	0.02	0	6,000	0.02	0	0.000
14	Manish Sarda	2,37,570	0.66	0	2,37,570	0.66	0	0.000
15	Aditya Sarda	1,12,840	0.31	0	1,12,840	0.31	0	0.000
16	Raghav Sarda	1,12,840	0.31	0	1,12,840	0.31	0	0.000
17	Neeraj Sarda	98,490	0.27	0	98,490	0.27	0	0.000
18	Anant Sarda	49,140	0.14	0	49,140	0.14	0	0.000
19	J.K. Sarda (HUF)	21,716	0.06	0	21,716	0.06	0	0.000
20	Shashi Rathi	19,467	0.05	0	19,467	0.05	0	0.000
21	Aditi Sarda	9,132	0.03	0	9,132	0.03	0	0.000
	Total	2,60,44,360	72.247	0	2,61,34,360	72.496	0	0.250

iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
1	Chhatisgarh Investments Limited	At the beginning of the year	1,37,88,760	38.25					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			20.06.2018	Purchase	90,000	1,38,78,760	38.50
		At the end of the year	1,38,78,760	38.50					
2	Sarda Agriculture & Properties Private Limited	At the beginning of the year	26,35,150	7.31					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	26,35,150	7.31					
3	Prachi Agriculture & Properties Private Limited	At the beginning of the year	15,65,322	4.34					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	15,65,322	4.34					



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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
4	Ghanshyam Sarda	At the beginning of the year	13,92,378	3.86					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	13,92,378	3.86					
5	Kamal Kishore Sarda	At the beginning of the year	13,09,149	3.63					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	13,09,149	3.63					
6	J. K. Sarda	At the beginning of the year	11,72,365	3.25					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	11,72,365	3.25					
7	Shakuntala Sarda	At the beginning of the year	10,14,518	2.81					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	10,14,518	2.81					
8	Chhatisgarh Investments Limited (Firm)	At the beginning of the year	1,47,731	0.41					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	1,47,731	0.41					

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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
9	Veena Sarda	At the beginning of the year	7,02,350	1.95					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	7,02,350	1.95					
10	Pankaj Sarda	At the beginning of the year	6,91,107	1.92					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	6,91,107	1.92					
11	Premlata Sarda	At the beginning of the year	4,68,910	1.30					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	4,68,910	1.30					
12	Uma Sarda	At the beginning of the year	4,89,425	1.36					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	4,89,425	1.36					
13	Dr. K.K. Rathi	At the beginning of the year	6,000	0.02					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	6,000	0.02					



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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
14	Manish Sarda	At the beginning of the year	2,37,570	0.66					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	2,37,570	0.66					
15	Aditya Sarda	At the beginning of the year	1,12,840	0.31					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	1,12,840	0.31					
16	Raghav Sarda	At the beginning of the year	1,12,840	0.31					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	1,12,840	0.31					
17	Neeraj Sarda	At the beginning of the year	98,490	0.27					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	98,490	0.27					
18	Anant Sarda	At the beginning of the year	49,140	0.14					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	49,140	0.14					

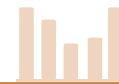
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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
19	J.K. Sarda (HUF)	At the beginning of the year	21,716	0.06					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	21,716	0.06					
20	Shashi Rathi	At the beginning of the year	19,467	0.05					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	19,467	0.05					
21	Aditi Sarda	At the beginning of the year	9,132	0.03					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			NIL			NIL	
		At the end of the year	9,132	0.03					

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
1	Asia Minerals Limited	At the beginning of the year	16,84,891	4.67					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			25.05.2018	Sale	(1,25,000)	15,59,891	4.33
				01.06.2018	Sale	(1,35,000)	14,24,891	3.95	
				08.06.2019	Sale	(3,40,000)	10,84,891	3.01	
				22.02.2019	Sale	(4,00,000)	6,84,891	1.90	
	At the end of the year	6,84,891	1.90						



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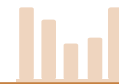
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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
2	Fortune Couriers Limited	At the beginning of the year	2,74,528	0.76					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			31.08.2018	Sale	(10,000)	2,64,528	0.73
					02.11.2018	Sale	(5,000)	2,59,528	0.72
					29.03.2019	Purchase	13,498	2,73,026	0.76
		At the end of the year	2,73,026	0.76					
3	Pratibha Endeavor Private Limited	At the beginning of the year	2,63,861	0.73					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			22.06.2018	Sale	(90,000)	1,73,861	0.48
		At the end of the year	1,73,861	0.48					
4	Acadian Emerging Markets Small Cap Equity Fund LLC	At the beginning of the year	2,17,272	0.60					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			25.05.2018	Sale	(6,176)	2,11,096	0.59
					15.06.2018	Purchase	5,799	2,16,895	0.60
		At the end of the year	2,16,895	0.60					
5	The Board of Regents of the University of Texas System Acadian Asset Management	At the beginning of the year	1,67,325	0.46					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			18.05.2018	Sale	(9,182)	1,58,143	0.44
					15.06.2018	Purchase	8,481	1,66,624	0.46
					22.06.2018	Purchase	7,579	1,74,203	0.48
		At the end of the year	1,74,203	0.48					
6	Ajay Natwarlal Vora* 13015200 00153044	At the beginning of the year	1,38,000	0.38					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			05.10.2018	Purchase	3,000	1,41,000	0.39
		At the end of the year	1,41,000	0.39					

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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
7	Prabhudas Liladhar Private Limited*	At the beginning of the year	1,20,766	0.34					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			06.04.2018	Sale	(2,003)	1,18,763	0.33
					13.04.2018	Sale	(2,243)	1,16,520	0.32
					20.04.2018	Purchase	1,887	1,18,407	0.33
					27.04.2018	Sale	(2,902)	1,15,505	0.32
					04.05.2018	Sale	(490)	1,15,015	0.32
					11.05.2018	Sale	(264)	1,14,751	0.32
					18.05.2018	Purchase	1,697	1,16,448	0.32
					25.05.2018	Purchase	5,125	1,21,573	0.34
					01.06.2018	Purchase	2,059	1,23,632	0.34
					08.06.2018	Purchase	659	1,24,291	0.34
					15.06.2018	Purchase	45	1,24,336	0.34
					22.06.2018	Purchase	1,860	1,26,196	0.35
					29.06.2018	Purchase	8,251	1,34,447	0.37
					06.07.2018	Purchase	1,069	1,35,516	0.38
					13.07.2018	Sale	(810)	1,34,706	0.37
					20.07.2018	Sale	(1,197)	1,33,509	0.37
					27.07.2018	Purchase	4,373	1,37,882	0.38
					03.08.2018	Sale	(6,100)	1,31,782	0.37
					10.08.2018	Sale	(1,355)	1,30,427	0.36
					17.08.2018	Sale	(7,115)	1,23,312	0.34
					24.08.2018	Sale	(20,852)	1,02,460	0.28
					31.08.2018	Sale	(1,901)	1,00,559	0.28
					07.09.2018	Sale	(8,886)	91,673	0.25
					14.09.2018	Purchase	2,973	94,646	0.26
					21.09.2018	Purchase	2,813	97,459	0.27
					28.09.2018	Sale	(3,162)	94,297	0.26
					05.10.2018	Sale	(355)	93,942	0.26
					12.10.2018	Sale	(294)	93,648	0.26
					19.10.2018	Sale	(560)	93,088	0.26
					26.10.2018	Purchase	1,050	94,138	0.26
					02.11.2018	Sale	(1,075)	93,063	0.26
					09.11.2018	Sale	(9,322)	83,741	0.23
					16.11.2018	Purchase	1,950	85,691	0.24
					23.11.2018	Sale	(6,186)	79,505	0.22
					30.11.2018	Sale	(720)	78,785	0.22
					07.12.2018	Sale	(3,906)	74,879	0.21
					14.12.2018	Purchase	2,013	76,892	0.21
					21.12.2018	Sale	(4,072)	72,820	0.20
					28.12.2018	Sale	(1,882)	70,938	0.20
					31.12.2018	Sale	(922)	70,016	0.19
					04.01.2019	Sale	(1,204)	68,812	0.19
					11.01.2019	Purchase	3,211	72,023	0.20
					18.01.2019	Sale	(4,111)	67,912	0.19
					25.01.2019	Sale	(686)	67,226	0.19



Annexure 'I'

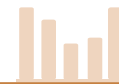
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Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
					01.02.2019	Purchase	688	67,914	0.19
					08.02.2019	Purchase	727	68,641	0.19
					15.02.2019	Sale	(1,793)	66,848	0.19
					01.03.2019	Purchase	83	66,931	0.19
					08.03.2019	Purchase	787	67,718	0.19
					15.03.2019	Purchase	1,450	69,168	0.19
					22.03.2019	Sale	(1,850)	67,318	0.19
					29.03.2019	Sale	(2,741)	64,577	0.18
					At the end of the year		64,577	0.18	
8	Pension Reserves Investment Trust Fund - Acadian*	At the beginning of the year	1,06,044	0.29					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			08.06.2018	Purchase	9,831	1,15,875	0.32
		At the end of the year	1,15,875	0.32					
9	Suresh Bhatia*	At the beginning of the year	1,05,000	0.29					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			25.05.2018	Sale	(5,000)	1,00,000	0.28
					08.06.2018	Sale	(1,038)	98,962	0.27
					03.08.2018	Sale	(29,998)	68,964	0.19
					28.09.2018	Sale	(4,940)	64,024	0.18
					05.10.2018	Sale	(1,500)	62,524	0.17
					12.10.2018	Sale	(2,500)	60,024	0.17
					19.10.2018	Sale	(60,000)	24	0.00
		At the end of the year	24	0.00					
10	Prachi Sarda*	At the beginning of the year	70,842	0.20	NIL			NIL	
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):							
		At the end of the year	70,842	0.20					
11	Pace Stock Broking Services Private Limited	At the beginning of the year	2,350	0.01					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			20.04.2018	Sale	(2,000)	350	0.00
					18.05.2018	Purchase	100	450	0.00
					25.05.2018	Purchase	1,000	1,450	0.00
					01.06.2018	Sale	(1,000)	450	0.00
					15.06.2018	Sale	(22)	428	0.00
					22.06.2018	Sale	(3)	425	0.00
					13.07.2018	Purchase	702	1,127	0.00
					20.07.2018	Sale	(702)	425	0.00
					17.08.2018	Sale	(200)	225	0.00

Annexure 'I'

to the directors' report

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
					07.09.2018	Purchase	550	775	0.00
					14.09.2018	Sale	(75)	700	0.00
					16.11.2018	Sale	(525)	175	0.00
					23.11.2018	Purchase	75	250	0.00
					30.11.2018	Purchase	105	355	0.00
					07.12.2018	Sale	(105)	250	0.00
					21.12.2018	Sale	(50)	200	0.00
					18.01.2019	Purchase	25	225	0.00
					25.01.2019	Sale	(25)	200	0.00
					08.02.2019	Purchase	95	295	0.00
					15.02.2019	Sale	(95)	200	0.00
					22.02.2019	Purchase	4,00,000	4,00,200	1.11
					01.03.2019	Sale	(2,00,000)	2,00,200	0.56
					08.03.2019	Purchase	23	2,00,223	0.56
					15.03.2019	Sale	(23)	2,00,200	0.56
					22.03.2019	Purchase	60	2,00,260	0.56
					29.03.2019	Purchase	50	2,00,310	0.56
		At the end of the year	2,00,310	0.56					
12	Mahima Stocks Private Limited	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			01.03.2019	Purchase	2,00,000	2,00,000	0.55
		At the end of the year	2,00,000	0.55					
13	Pankaj Jalan	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			24.08.2019	Purchase	1,58,928	1,58,928	0.44
					19.10.2018	Purchase	26,072	1,85,000	0.51
		At the end of the year	1,85,000	0.51					
14	Parwati Devi Jalan	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			24.08.2018	Purchase	1,30,000	1,30,000	0.36
					11.01.2019	Purchase	13,315	1,43,315	0.40
					18.01.2019	Purchase	22,334	1,65,649	0.46
					25.01.2019	Purchase	5,606	1,71,255	0.48
					08.02.2019	Purchase	10,358	1,81,613	0.50
		At the end of the year	1,81,613	0.50					



Annexure 'I'

to the directors' report

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
15	Niraj Jalan	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			24.08.2018	Purchase	1,60,000	1,60,000	0.44
		At the end of the year	1,60,000	0.44					

*Among top 10 as on 31.03.2018

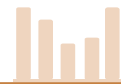
v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
1	Kamal Kishore Sarda	At the beginning of the year	13,09,149	3.63					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			NA			NA	
		At the end of the year	13,09,149	3.63					
2	Pankaj Sarda	At the beginning of the year	6,91,107	1.92					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			NA			NA	
		At the end of the year	6,91,107	1.92					
3	Uma Sarda	At the beginning of the year	4,89,425	1.36					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			NA			NA	
		At the end of the year	4,89,425	1.36					

Annexure 'I'

to the directors' report

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
4	C.K. Lakshmi narayanan	At the beginning of the year	8,000	0.02					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	8,000	0.02					
5	A.K. Basu	At the beginning of the year	4,000	0.01					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	4,000	0.01					
6	G.S. Sahni	At the beginning of the year	3,500	0.01					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	3,500	0.01					
7	J. Balakrishnan	At the beginning of the year	1,667	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	1,667	0.00					
8	Rakesh Mehra	At the beginning of the year	9,737	0.03					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			24.08.2018	Purchase	650	10387	0.03
					31.08.2018	Sale	(150)	10237	0.03
					07.09.2018	Purchase	300	10537	0.03
	At the end of the year	10,537	0.03						



Annexure 'I'

to the directors' report

Sl. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
9	P.R. Tripathi*	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	0	0.00					
* retired w.e.f. 1st April, 2019									
10	P.K. Jain (WTD & CFO)	At the beginning of the year	10,073	0.03					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	10,073	0.03					
11	Manish Sethi (CS)	At the beginning of the year	1,680	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NA		NA	
		At the end of the year	1,680	0.00					

Annexure 'I'

to the directors' report

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakh)

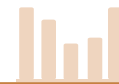
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	28,545.52	4,000.00	-	32,545.52
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	81.79		-	81.79
Total (i+ii+iii)	28,627.31	4,000.00	-	32,627.31
Change in Indebtedness during the financial year				
Addition	4,134.49	1,300.00	-	5,434.49
Reduction	(8,538.78)	-	-	(8,538.78)
Net Change	(4,404.29)	1,300.00	-	(3,104.29)
Indebtedness at the end of the financial year				
i) Principal Amount	24,189.63	5,300.00	-	29,489.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	33.39		-	33.39
Total (i+ii+iii)	24,223.02	5,300.00	-	29,523.02

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. K. K. Sarda	Mr. Pankaj Sarda	Mr. P. K. Jain (WTD & CFO)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	141.36	65.84	51.06	258.26
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.40	0.29	0.29	0.98
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	a) as % of profit	350.00	100.00	-	450.00
	b) others, specify	-	-	-	-
5	Others, please specify (PF/Superannuation)	17.34	5.10	4.03	26.47
	Total (A)	509.10	171.23	55.38	735.71
	Ceiling as per the Act	10% of the net profits of the Company.			



Annexure 'I'

to the directors' report

B. Remuneration to other Directors :

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Name of Director							Total
		Mrs. Uma Sarda	Mr. C.L. Lakshmi-narayanan	Mr. A.K. Basu	Mr. Rakesh Mehra	Mr. P.R. Tripathi	Mr. G.S. Sahni	Mr. J. Bala-krishnan	
1.	Independent Directors:								
a)	Fee for attending board / committee meetings	-	1.40	2.90	1.20	1.30	1.60	3.40	11.80
b)	Commission	-	3.00	3.00	3.00	3.00	3.00	3.00	18.00
c)	Others, please specify (Stock option)	-	-	-	-	-	-	-	-
	Total (1)	-	4.40	5.90	4.20	4.30	4.60	6.40	29.80
2.	Other Non Executive Directors								
a)	Fee for attending board committee meetings	1.20	-	-	-	-	-	-	1.20
b)	Commission	-	-	-	-	-	-	-	-
c)	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	1.20	-	-	-	-	-	-	1.20
	Total (B) = (1+2)	1.20	4.40	5.90	4.20	4.30	4.60	6.40	31.00
	Total Managerial Remuneration [^]								766.71
	Overall Ceiling as per the Act	11% of the net profits of the Company							

[^] Total remuneration to Managing Director, Whole-Time Directors and other Directors (being the total of A and B).

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

(₹ in lakh)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel [§]	Total
		Company Secretary	
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	13.33	13.33
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00
2	Stock Options	0.00	0.00
3	Sweat Equity	0.00	0.00
4	Commission		
	a) as % of profit	0.00	0.00
	b) others, specify....	0.00	0.00
5	Others, please specify (PF/Superannuation)	0.46	0.46
	Total	13.79	13.79

[§] Details of remuneration of CFO - Mr. P.K. Jain appears along with the details of remuneration of Wholetime Directors as he also is a Whole time Director

Annexure 'I'

to the directors' report

VII. Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

Annexure 'J'

to the directors' report

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

Name	Designation	Remuneration received (₹ in Lakh)	Nature of employment, whether contractual or otherwise	Qualification	Total Experience	Date of commencement of employment	Age	Last employment held	Names of other directors related to the employee
Mr. K.K. Sarda	Chairman & Managing Director	509.10	Contractual	B.E. (Mech.)	43 Years	16.12.1978	67 years	-----	Mr. Pankaj Sarda, Mrs. Uma Sarda
Mr. P. Sarda	Joint Managing Director	171.23	Contractual	BE (Ind. Engg.), MS (IA)	16 Years	01.04.2003	40 Years	-----	Mr. K. K. Sarda, Mrs. Uma Sarda
Mr. R.T. Laddha	ED	61.31	Permanent	BE	24 Years	14.06.1995	47 Years	-----	
Mr. P.K. Jain	WTD & CFO	55.38	Permanent	CA, CS, B. Com	33 Years	12.04.1997	56 Years	-----	
Mr. A.K. Nanda	Head (Works)	42.04	Permanent	BSC-Engg	43 Years	03.08.2011	66 Years	Somaiva Organo Chem. Limited	
Mr. M.K. Maheshwari	Sr. VP-Corp.	41.27	Permanent	M.Tech, MBA	35 Years	18.06.2008	59 Years	Tata Sponge Iron Limited	
Mr. S. Laddha	Head-Legal & Mines	40.49	Permanent	BE-Electronics	16 Years	01.09.2003	49 Years	IDBI Bank	
Mr. Santeev Agrawal	Head - Commercial	35.01	Permanent	B.E. (Mech.)	30 Years	27.08.2007	55 Years	Torrent Power	
Mr. Girish Kumar Lakhota	Head - Project	29.06	Permanent	BE (Mechanical)	18 Years	01.10.2001	57 Years	-----	
Mr. Ajay Singhal	Head (Finance & Accounts)	29.03	Permanent	CA, B.Com	23 Years	15.10.2004	50 Years	GCMMF Limited (Amul)	

Notes:

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

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

Name	Mr. Kamal Kishore Sarda
Designation	Chairman & Managing Director
Remuneration received	₹ 509.10 lakh
Nature of employment, whether contractual or otherwise	Contractual
Qualification and experience	B.E. (Mech.) Nearly 43 years of Industrial experience
Date of commencement of employment	16.12.1978
Age	67 years
Last employment held	---
Names of other directors related to the employee	Mr. Uma Sarda (Spouse), Mr. Pankaj Sarda (Son)

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.

Raipur
3rd August, 2019

On behalf of the Board of Directors
(K. K. Sarda)
 Chairman & Managing Director
 DIN: 00008170

Annexure 'K'

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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

S. No.	Name of Director / KMP	Remuneration of Director/ KMP for F.Y. 2018-19 (₹ in lakh)	% increase in Remuneration in the F.Y. 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. K. K. Sarda	509.10	14.42	154.70
2	Mr. Pankaj Sarda	171.23	142.74	52.03
3	Mr. P. K. Jain – CFO & WTD	55.38	10.01	16.83
4	Mrs. Uma Sarda	1.20	-	0.36
5	Mr. C. K. Lakshminarayanan	4.40	(4.35)	1.34
6	Mr. J. Balakrishnan	6.40	20.75	1.94
7	Mr. G. S. Sahni	4.60	-	1.40
8	Mr. P. R. Tripathi*	4.30	(4.44)	1.31
9	Mr. A. K. Basu	5.90	18.00	1.79
10	Mr. Rakesh Mehra	4.20	20.00	1.28
11	Mr. Manish Sethi (CS)	13.79	12.21	N.A.

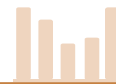
* Retired w.e.f. 1st April, 2019

- ii) The median remuneration of employees of the Company during 2018-19 was ₹ 3.29 lakh.
- iii) In 2018-19, there was an increase of 8.58% in the median remuneration of employees.
- iv) There were 1,243 permanent employees on the rolls of Company as on 31st March, 2019.
- v) Average % increase in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2018-19 was 9.35% as against 8.78% in the previous year. There was an increase of 27.66% in the managerial remuneration for the same period.
- vi) Commission to Chairman & Managing Director and Jt. Managing director is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors keeping in view the performance of the Company. Commission to Non-executive Directors is based on the involvement and contribution towards governance practices and discharging fiduciary duties.
- vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

On behalf of the Board of Directors

Raipur
3rd August, 2019

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



Management Discussion and Analysis

The operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company for the Financial Year 2018-19 and outlook for the current financial year. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Annual Report. This report is an integral part of the Directors' Report.

Industry Structure and Development

Global Economy

The global economy started 2018 with strong, synchronized growth. But as the year progressed, momentum faded and growth trends diverged. The US economy accelerated, thanks to fiscal stimulus enacted early in the year, while the economies of the Eurozone, the UK, Japan and China began to weaken. These divergent trends persist in 2019. The global growth is predicted to be decelerating over the next few years.

One major risk in the coming year is the sharp drop-off in world trade growth, which fell from over 5% at the beginning of 2018 to nearly zero at the end. With escalation in trade conflicts, a contraction in world trade could drag down the global economy even more. These risks point to the increasing vulnerability of the global economy to further shocks, and the rising probability of a recession in the next couple of years.

Indian Economy

The Indian economy is facing a number of challenges, but with strategic policy shifts like 'Make-in-India' initiative and implementation of various policy reforms like ease of doing business, Insolvency and Bankruptcy Code (IBC), Real Estate Regulation Act (RERA) and Goods and Services Tax (GST), the Indian economy is expected to rebound.

The Govt. of India has planned expenditure of ₹ 100 lakh crore over next 5 years on upgradation of infrastructure. This aims to achieve better infrastructure which will provide better connectivity and hence better growth. Increasing FDI is certainly an indicator that even the foreign countries are banking on India as a growing economy. However lack of private sector investment, liquidity crisis in NBFCs, an alternate source of investment funding, delay in resolution of defaulting borrowers and pressure of non-performing Loans on the banks has adversely affected the fresh investment and tax revenues. All these factors have affected the GDP growth of the economy.

Iron and Steel

In 2018, global steel demand increased by 2.1%, growing slightly slower than in 2017. This was primarily due to the decline in trade and manufacturing activity across most industrial sectors, increased trade tensions among major economies, tightening of financial conditions and policy uncertainty in many economies. In 2019 and 2020 growth is still expected, but in a less favourable economic environment partly due to uncertainties resulting from global trade tensions and the uncertainties about Brexit.

According to the World Steel Association ('WSA'), global crude steel production reached 1,808.6 MnT in 2018, an increase of 4.6% over 2017. This increase is primarily due to growth in steel consumption in infrastructure activities. China continued to be the world's largest crude steel producer, contributing to 51.3% of the global crude steel production. Steel demand in the European Union ('EU') grew by 2.2% in 2018 as against 3.4% in 2017. In 2018 the EU was a net importer of steel at 16.9 MnT. Exports from China to the rest of the world decreased again in 2018 to 68.8 MnT. Changing trade flows in the global steel market have caused an increase in the amount of anti-dumping measures.

India has become the second largest producer of crude steel during 2018. Crude steel production in India, increased to 106.5 MnT. India's crude steel production increased by 4.9% over the previous year. Steel demand in the country, in the first half of the financial year, was more stable than in the second half. One of the key issues has been the credit flow in the system and it is expected that structural policy actions will be undertaken to ensure that increased credit flow is restored and private investment is encouraged to revive the economy. Recent resolution of some large ailing plants will help improved production, capacity utilization and brown field expansion.

The Govt. of India has envisaged tripling of the country's capacity to 300 million tonnes with an investment of ₹ 10 lakh crore by 2030. However to achieve this, issues related to land acquisition, raw material availability, high cost of credit and logistics, among others, are required to be taken care of.

The Insolvency and Bankruptcy Code has, triggered a wave of consolidation that is just getting over after re-shaping the industry. It marks the entry of Arcelor Mittal, which is the frontrunner to buy Essar Steel, in India, apart from Vedanta, which bought Electrosteel last year. Tata Steel bought Bhushan Steel to emerge as the largest steel maker in the country in 2018/19.

Management Discussion and Analysis

Sponge Iron

Coal-based sponge iron technology has emerged as economical method to manufacture steel. Environmental clearances and costs needed to set up integrated steel plants are substantially high. As such sponge iron industry, which uses non coking coal, has flourished in the country. India is the world's largest producer of sponge iron and has over 400 sponge iron units. Approximately 35% of the nation's steel producers use sponge iron to produce steel. The coal-based route emerged as a key contributor and now accounts for 79% of total sponge iron production in the country. Global output of direct reduced iron (DRI) increased by 12% in 2018 as per provisional World Steel Association report, driven by India (production up by 2.9%) and Iran (production up by 32%) during the year as compared to 2017. Together, the top five countries accounted for 86% of the world DRI production during this period and saw their cumulative output rise by 12.8% as compared to last year.

During 2018-19 sponge iron production was 33 Million Tonnes against 30.51 Million Tonnes in FY 2017-18. (Source: SIMA). The sponge iron sector is linked to the nations steel sector in such a way that a rise in demand for steel would increase the demand for sponge iron. However, the industry faces issues, relating to low availability of non-coking coal and rising prices of iron ore, among others.

Ferro Alloys

Ferro alloys are one of the important inputs in the manufacture of alloys and special steel. Growing demand of different grades of steel, due to lack of viable substitutes, in end-user industries including automotive, ship building, construction, and several other sectors will be an important driver for the global ferro alloy market.

India has an installed ferro alloys producing capacity of 5 million tonne per annum. The principal ferro alloys are chromium, manganese and silicon. Currently, a major portion of the ferro alloys produced in India is exported. Iran, one of the largest crude steel producer in MENA is currently facing US Sanctions, owing to which its steel industry has been adversely affected. Many trade allies of Iran have suspended their trade with Iran. However, India continued its trade with Iran. India is one of the largest exporters of ferro alloys to Iran. US sanctions on Iran had limited effect on ferro alloys import from India.

Although demand for ferro alloys remained healthy, the industry continued to grapple with raw material shortage and high prices of power. The industry is dependent on imports of manganese ore, coke and coal due to insufficient availability in the country. The industry is facing tough competition from Malaysia where power cost is low.

Power

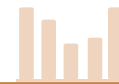
Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. With the economic development, electricity demand in the country is increasing rapidly. As of 31st March, 2019, the total installed capacity of all energy sources put together stood at about 356 GW (excluding captive power capacity of 51.5 GW), the thermal sector accounted for 226 GW, followed by renewables at about 78 GW, hydro at 45 GW and nuclear at about 7 GW.

However, due to un-remunerative pricing, high cost of fuel and funds and over capacity addition the power sector is undergoing financial stress and as such witnessed poor capacity addition during 2018-19 after maintaining a strong momentum for a few years. While renewables added more capacity than the conventional power segments for the second year in a row in 2018-19, both have seen a significant fall in their new capacity addition compared with 2017-18. The renewable energy sector added a capacity of 8,532 MW to the grid, just about the 55% of its target of 15,602 MW for 2018-19. Industry experts blamed policy issues and arbitrary cancellations of renewable project tenders for the slow-down in the capacity addition in the clean energy sector during 2018-19.

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector:

- Proposed amendment to Electricity Act, 2003, wherein separation of content & carriage, direct benefit transfer of subsidy, 24*7 Power supply is an obligation, penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same, have been discussed.
- Launched Ujwal Discoms Assurance Yojana (UDAY) to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15%.



Management Discussion and Analysis

- Approved National Policy on Bio fuels – 2018, to achieve health benefits, cleaner environment, employment generation, reduced import dependency, boost to infrastructural investment in rural areas and additional income to farmers.
- Approved new policy for promotion of hydro power projects including financial support, grant of renewable energy status, higher repayment period and separate hydropower purchase obligation.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Opportunities and Threats

Opportunities

The importance given by Government on affordable housing, roads, Sagarmala projects and other infrastructure projects are expected to spur steel demand, which will augur well for sponge iron industry also. As per the National steel policy crafted during FY 2017-18, the crude steel production target for India is set at 300 MnT by 2030. Share of sponge iron in steel making will be 80 MnT, which will create huge opportunity for sponge iron industry.

The Company foresees a good opportunity and base for growth in its core area of operations owing to strong manufacturing base, developed infrastructure, sufficient land in possession, environmental clearances, strong financials and available mineral resources.

Our foray into hydropower through 4.8 MW hydro power project in Uttarakhand, the 24-megawatt hydropower plant at Gullu, in Chhattisgarh and our upcoming 96MW hydro project in Sikkim will drive new avenues of value creation. Increasing concerns about lower-carbon or non-emitting energy sources, such as gas and renewables, have increased the importance of hydro power. Besides, the Government has also approved the following changes in the hydro power policy:

- ☂ A separate hydropower purchase obligation (HPO) is proposed for distributors / captive consumer of conventional power. Present renewable purchase obligation can be met from any of the wind, biomass or small hydropower.
- ☂ All new hydro power projects shall be treated as renewable energy projects and power purchased from these projects will meet the HPO under the relevant regulations.
- ☂ The licence period of the hydropower projects shall be increased to 40 year. Escalation of 2% per annum shall be granted on the tariff by back loading the tariff.

Owing to the increasing environmental awareness and Govt. push in the Renewable energy sector, your Company having gained experience in this field is well placed to take advantage of emerging opportunity in this field.

Threats

Presently there are no visible threats in the short and medium term in the sponge iron industry. Availability of scrap and its import will be an issue for steel production and will affect the demand. Iron ore and coal prices will also play a key role in profitability as its availability will be an issue if there are instances of mines closure.

The demand for ferro alloys is dependent on the prospects of the steel industry, which in turn depends on the economic climate prevalent across the globe. Global economy, as predicted by experts is expected to slow down considerably owing to trade wars and protectionist measures adopted by developed nations, geo-political instability prevailing in pockets across the globe. This may affect demand for steel globally. India too, has not had a very positive fiscal. Based on key statistical data, experts feel that the nation could be heading for an economic slow down. This could impact the demand for steel.

Inefficient distribution companies, deteriorating financial condition of DISCOMS across India leads to distress for power generating companies. The abysmally low returns earned by the power generation companies may affect the expansion plans resulting in lower power availability and in turn may have an impact on the steel and ferro alloys industry. Your Company and its wholly owned subsidiary Sarda Metals & Alloys Limited have captive power generation facilities which will ensure power availability for the facilities of your Company and its subsidiary.

However, the Central Government is aware of these factors and has drawn/is working on plans to spur investment driven growth in the country. This, when translates into on-ground reality, will increase the demand for steel and ferro alloys.

Management Discussion and Analysis

Outlook

With the renewed thrust of the Govt. of India on infrastructure and affordable housing, the outlook for steel sector, particularly long products is promising. The Govt. is also taking various steps for increasing exports. That should help the ferro alloys industry. The new hydro power policy once notified will be a big boost to the new hydro power projects. Low inflation, low interest rates and improved liquidity augurs well for the industry. This will lead to remunerative prices and business sustainability.

India continues to be one of the world's fastest growing major economies, with a 6.81% growth rate in FY 2018-19. However the growth has slowed down to 5.8% in Q1CY19 amid weaker consumer demand and fixed investment. The country now has a robust macroeconomic policy framework, flexible exchange rate and manageable exposures to foreign-currency-denominated debt. Recent structural reforms are further catalyzing domestic demand, strengthening investment and improving growth prospects.

The country has witnessed a sustained growth in domestic demand with nearly 60% of the country's GDP being driven by domestic private consumption (Source: Economic Survey of India, 2018-19). The Government of India has undertaken multiple initiatives for improving rural infrastructure and livelihoods spending. With forecasts of normal monsoons, this will provide a huge impetus to rural growth and demand. The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022.

With the Government focusing on increasing the renewable energy and changes in the hydro power policy, the Company with its presence in the hydro power segment through its subsidiaries offers a bright future in this segment. The Company believes that with massive spending on infrastructure in the economy being lined up, the outlook for the sectors in which the Company operates appears to be stable/positive.

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
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 utilisation through waste to wealth programme
Financial risk -Availability of funds for capex and business operations	-Low debt gearing ratio and efficient financial management. Creating cushion for contingencies
Currency fluctuation -unfavourable rupee/foreign currency movement	-Substantial amount of import and export providing natural hedge - Regular review of exposure at highest level - Forward contracts and bookings



Management Discussion and Analysis

Input risk -procurement of raw materials at the right cost and in the right time.	-Captive mineral resource integrated business model makes it possible for the end product of one business to be positioned as the raw material of another -creation of a self-feeding ecosystem with minimal inventory, 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 -Healthy and safe working of workmen	-Regular health check-ups -Regular safety audit by independent team and compliance review, preventive maintenance of Machines and equipment to avoid any unforeseen accidents -Adequate arrangements of fire station and dispensaries to address emergency situations
Human resources -retaining talent at various levels is a challenge	-ample opportunity of growth and development of individual -safety and security, motivation, performance linked remuneration in line with market - sharing growth through ESOP

Internal Control System and Their Adequacy

Your 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.

Your 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.

Your 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 your Company's risk management, control and governance processes.

The Audit Committee seeks the views/opinions of statutory auditors on the adequacy of the internal control systems in your Company. 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. 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 your Company and recommends the same to Board for its approval.

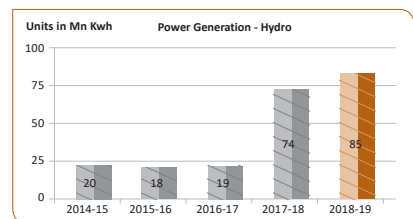
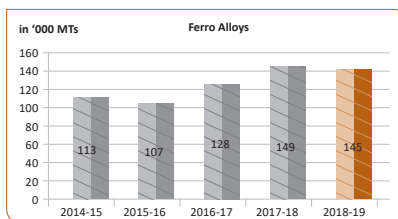
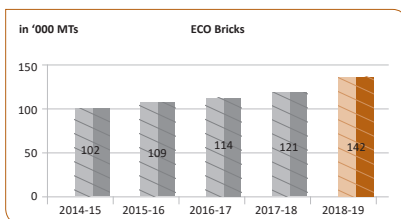
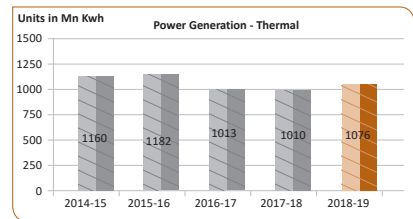
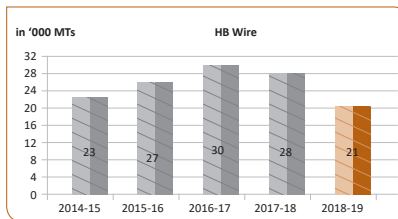
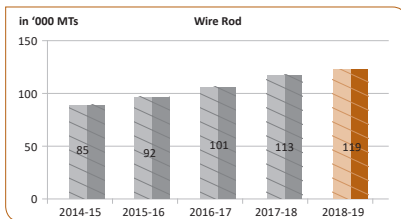
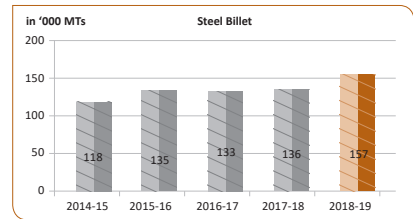
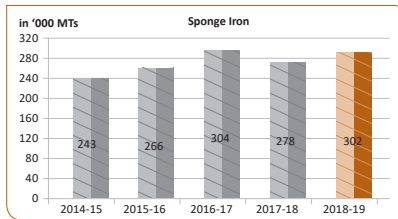
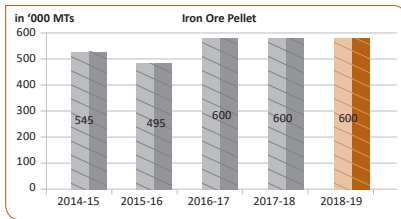
Product-wise Performance

The product wise performance matrix (consolidated) for the year 2018-19 is summarized hereunder:

Product	Production (MTs)		Sales (MTs)		Captive consumption (MTs)	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Pellet	5,99,972	5,99,950	4,38,067	3,83,831	1,61,668	2,05,987
Sponge Iron	3,02,243	2,78,147	1,48,130	1,50,415	1,50,642	1,31,285
Steel Billet	1,56,691	1,36,349	33,356	19,633	1,22,319	1,17,148
Wire Rod	1,18,578	1,13,466	97,077	85,567	20,892	28,184
HB Wire	20,572	27,763	20,473	28,615	-	--
Ferro Alloys	1,45,064	1,49,258	1,39,048	1,49,316	2,012	1,964
Power (Mn Kwh)	1,161	1084	258	218	807	781
Iron Ore	4,22,700	5,40,620	-	-	4,61,480	4,28,094

Management Discussion and Analysis

Consolidated Production Performance



Financial Performance vis a vis Operational Performance

Turnover

During 2018-19, your Company achieved a turnover of ₹ 1,653 crore on standalone basis as against ₹ 1,515 crore in the previous year registering a growth of 9%. At the consolidated levels, the turnover in 2018-19 stood at ₹ 2,324 crore as against ₹ 2,217 crore in 2017-18, registering a growth of 5%. On consolidated levels, the turnover for 2018-19 is the highest ever till date, achieved by your Company.

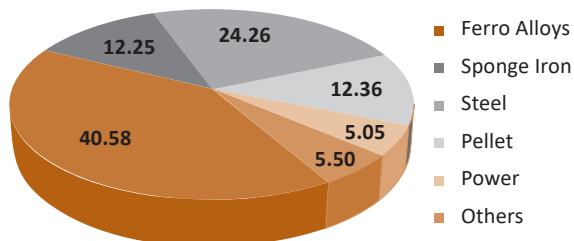
Breakup of revenue (% Product wise)

Product	2018-19	2017-18	2018-19	2017-18
	Standalone		Consolidated	
Ferro Alloys	26.74	30.58	40.58	47.51
Steel – billets, wire rods and HB wire	34.09	28.90	24.26	19.75
Sponge Iron	17.22	17.22	12.25	11.77
Pellet	17.41	13.75	12.36	9.40
Power	0.18	0.09	5.05	4.08
Others (including eco bricks and trading)	4.36	9.46	5.50	7.49
Total	100.00	100.00	100.00	100.00

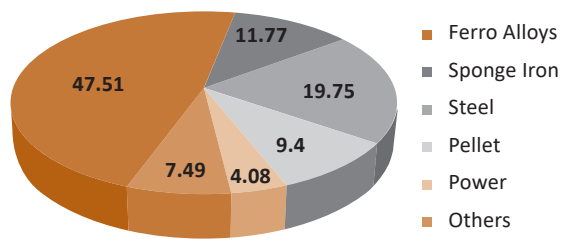


Management Discussion and Analysis

Consolidated - Turnover % - 18-19



Consolidated - Turnover % - 17-18



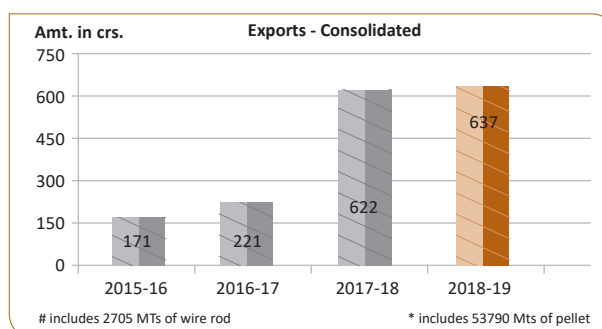
Breakup of consolidated revenue (Entity wise)

(₹ in crore)

Company	2018-19	2017-18	Product
Sarda Energy & Minerals Limited	1,570	1,465	Steel, Ferro alloys & Thermal Power
Sarda Metals & Alloys Limited	710	720	Ferro Alloys & Thermal Power
Parvatiya Power Limited	8	6	Hydro Power
Chhattisgarh Hydro Power LLP	36	26	Hydro Power

Exports

During 2018-19, ferro alloys exports stood at 80,285 MTs as against 89,092 MTs in the previous year. The drop in exports is mainly because of subdued market conditions. Export markets for ferro alloys are catered mainly from Sarda Metals' plant located near the port. Standalone exports of your Company stood at 10,441 MT (PY 11,283 MT) of ferro alloys and 53,790 MT of pellet.



(₹ in Crore)

	2018-19	2017-18	Reason(s) for change
Finance cost			
Standalone	35	36	Down by 3% due to repayment of loans
Consolidated	99	97	Increase due to increase in loan in subsidiary
Depreciation			
Standalone	50	49	
Consolidated	76	73	Apart from standalone, increase due to full year depreciation on 24 MW Hydro Power Plant.
Other Expenses			
Standalone	183	140	Increase is mainly on account of operational expenses like Stores consumption, material handling and carriage outward being the result of increase in operations. Besides, Forex fluctuation expenses and CSR expenses have also increased.
Consolidated	261	217	Same reasons as for standalone

Management Discussion and Analysis

(₹ in Crore)

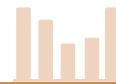
	2018-19	2017-18	Reason(s) for change
Profitability			
EBIDTA Standalone	406	361	Increase in volume, increased production and better realizations
EBIDTA Consolidated	499	472	Besides standalone, increase in operations of Chhattisgarh Hydro Power LLP
PBT - Standalone	321	269	Increase in volume, increased production and better realizations
PBT Consolidated	324	294	
PAT – Standalone	215	188	Besides standalone, increase in operations of Chhattisgarh Hydro Power LLP. Standalone profit includes dividend from subsidiary ₹ 18.13 crore, which gets nullified in the consolidated results.
PAT Consolidated	207	205	

Non-Current Assets

	2018-19	2017-18	Reason(s) for change
Property Plant & Equipment			
Standalone	Gross -762 Net - 570	Gross – 719 Net - 575	Capitalization of steelmaking capacity
Consolidated	Gross -1,620 Net - 1,334	Gross – 1,571 Net - 1,358	
Capital work-in-progress			
Standalone	27	31	Reduction on account of capitalization
Consolidated	1,063	783	Increase in CWIP of Madhya Bharat Power Corporation Limited
Investments			
Standalone	668	619	Increase due to fresh investments in Madhya Bharat Power Corporation Limited and Chhattisgarh Hydro Power LLP
Consolidated	47	55	Reduction on account of reduction in investments in Parvatiya Power Limited
Other financial assets			
Standalone	19	20	Release of security deposits by vendors
Consolidated	29	30	
Other non-current assets			
Standalone	16	17	Reduction in capital advances
Consolidated	51	71	

Current assets

	2018-19	2017-18	Reason(s) for change
Inventories			
Standalone	300	304	Reduction in stock of Raw materials
Consolidated	439	411	Increase in stock of finished/semi-finished goods in Sarda Metals & Alloys Limited
Investments			
Standalone	52	73	Reduction due to Mark-to-Market Loss on equity shares
Consolidated	166	186	
Trade receivables			
Standalone	39	62	In 2017-18, there was bulk export of wire rod nearly at the end of the year. As such, there was an increase in receivables in 2017-18
Consolidated	93	131	Apart, from the reason for standalone, reduction of trade receivables in Sarda Metals & Alloys Limited



Management Discussion and Analysis

(₹ in Crore)

	2018-19	2017-18	Reason(s) for change
Bank and cash balances			
Standalone	3	2	Increase mainly due to increase in unpaid dividend
Consolidated	45	68	Reduction mainly due to sale of mutual funds investments by subsidiary for utilization in project
Loans and advances			
Standalone	326	187	Increase due to increase in loan to subsidiaries and others
Consolidated	313	210	Increase in export incentive receivables.
Other current assets			
Standalone	58	73	Reduction in advances to vendors
Consolidated	86	108	

Share Capital

There was no change in the equity share capital in the year 2018-19.

Non-current Liabilities

	2018-19	2017-18	Reason(s) for change
Borrowings			
Standalone	98	110	Repayment of loans
Consolidated	1,064	983	Fresh disbursement in MBPCL for ongoing project

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

CRISIL has upgraded the long term rating at CRISIL A+ for long term credit facilities and has retained CRISIL A1 for short term credit facilities. Total long term and short facilities rated amounted to ₹ 735 crore.

Other long term liabilities

Other long term liabilities stood at the levels of the previous year.

At the consolidated levels, other long term liabilities stood at ₹ 14 crore as against ₹ 15 crore in the previous year.

	2018-19	2017-18	Reason(s) for change
Provisions			
Standalone	3	2	Increase on account of Leave encashment provisions
Consolidated	9	8	

Current liabilities

	2018-19	2017-18	Reason(s) for change
Short term borrowings			
Standalone	175	186	Reduction in Buyers' Credit Facility
Consolidated	268	327	
Trade payables			
Standalone	89	127	Repayment of LC obligations
Consolidated	181	131	Increase in trade payables in Sarda Metals & Alloys Limited
Other financial liabilities			
Standalone	48	62	Reduction in balance against Bill discounting and reduction in current maturities of long term debt
Consolidated	157	162	
Other current liabilities			
Standalone	18	20	Reduction in advance from customers
Consolidated	22	29	
Provisions			
Standalone	7	10	Reduction in provision for expenses payable
Consolidated	8	11	

Management Discussion and Analysis

Material Developments in Human Resource/Industrial Relations

HR plays an instrumental role in securing the future success of your Company. In doing so, the function is guided by its long term vision of working in partnership to create an environment where every employee comes, thrives and is able to deliver sustainable organizational growth.

The delivery of business consulting capabilities and professional HR services is designed to achieve positive impact on the business results. This includes bringing HR's knowledge of human capital trends to support future strategy and to provide access to the necessary skills required. We are developing work force management solutions to optimize the balance between supply and demand for capabilities and to manage the cost and employee base more efficiently and effectively in the long term.

One of the key aspects is involving employees to develop the skills necessary to take up new roles within the organization. The company supports internal, cross divisional, career mobility by identifying re-deployment opportunities and offering Training & Development. In addition to supporting the execution of strategic measures, internal mobility allows employees to have more diverse and full filling career.

Your Company takes a holistic approach to leadership development, which encompasses a strong focus on corporate culture in the form of its value and beliefs, individual leadership capabilities, personal factors, a growth mind set and scheme based learning. We are continuously evolving and offering for line managers at all level.

Our 6 Quality Circle teams had participated in CCQC -2018 (Chapter Convention on Quality Concepts) at Raipur (Chhattisgarh) and have won "Gold Award". In NCQC-2018, 2 QC teams have been awarded "Par Excellence" and 4 teams have bagged "Excellence award". Around 11,800 participants from 497 companies had represented the 2048 QC team across India.

Our prime focus is on Health & safety of our employees. The BBS Scheme (Bhai Bandhu Suraksha) is continued to make employees & contractual workers aware about organizational safety. During the year, your company has:

- organised Skill development program, for the community women, imparting sewing training to 90 women in 2 villages.
- organized blood donation camp within its plant premises in association with the Red Cross Society of India and had collected 237 units of blood.
- continued to operate and maintain, Mobile Medical Van for providing community health services to around 20 villages near-by iron ore mines, covering 9,746 patients.
- deepened pond in villages for watershed development and has also undertaken a number of activities for rain water harvesting.

As of 31st March, 2019, the total number of employees stood at 1,243 as compared to 1,223 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 your Company. Your 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 stakeholders
- **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.

Your Company would constantly endeavor to improve these aspects.

2. Board of Directors

2.1 Composition

The Board of Directors comprises of ten directors, including two wholtime promoter directors, one wholtime professional director, one non-executive women promoter director and six non-executive independent directors. The non-executive independent directors are eminent professionals having rich and sound experience in diverse fields related to the business of your Company.

The names and categories of the directors on the board and other relevant information, as on 31st March, 2019, 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. K. K. Sarda^	Promoter / Executive	5	-	13,09,149
Mr. Pankaj Sarda^	Promoter / Wholtime	9	3	6,91,107
Mr. P. K. Jain	Professional / Wholtime	4	-	10,073
Mrs. Uma Sarda^	Promoter/Non-executive	1	-	4,89,425
Mr. Rakesh Mehra	Independent / Non-executive	1	1	10,537
Mr. A. K. Basu	Independent /Non-executive	2	3	4,000
Mr. P. R. Tripathi**	Independent/ Non-executive	6	6	Nil
Mr. G. S. Sahni	Independent/ Non-executive	9	2	3,500
Mr. C. K. Lakshminarayanan	Independent /Non-executive	3	3	8,000
Mr. Jitender Balakrishnan	Independent/ Non-executive	9	7	1,667

* Excluding directorships in foreign companies and the Company.

** Retired w.e.f. 1st April, 2019

@ 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, Mr. Pankaj Sarda and Mrs. Uma Sarda, who are related to each other, no other director is related to any one in any manner. Mr. K.K. Sarda is father of Mr. Pankaj Sarda and spouse of Mrs. Uma Sarda.

2.2 Board Meetings

The members of the Board are provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings. Six meetings of the Board of Directors were held during the year ended 31st March, 2019 as given hereunder:

i)	26th May, 2018	ii)	11th August, 2018	iii)	21st September, 2018
iv)	3rd November, 2018	v)	2nd February, 2019	vi)	4th March, 2019

Corporate

Governance Report

The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2019 and at the last Annual General Meeting is as under:-

Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. K. K. Sarda	6	Yes
Mr. Pankaj Sarda	4	Yes
Mr. P. K. Jain	6	Yes
Mrs. Uma Sarda	6	Yes
Mr. Rakesh Mehra	4	Yes
Mr. A. K. Basu	4	Yes
Mr. P. R. Tripathi	4	No
Mr. G. S. Sahni	4	Yes
Mr. C. K. Lakshminarayanan	5	Yes
Mr. Jitender Balakrishnan	6	Yes

2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31st March, 2019):

S.No.	Names	Name of the Company	Designation
1.	Mr. K. K. Sarda	Chhatisgarh Investments Limited	Director
2.	Mrs. Uma Sarda	NIL	NA
3.	Mr. Pankaj Sarda	NIL	NA
4.	Mr. Padam Kumar Jain	NIL	NA
5.	Mr. Asit Kumar Basu	NIL	NA
6.	Mr. Chittur Krishnan Lakshminarayanan	NIL	NA
7.	Mr. Gajinder Singh Sahni	NIL	NA
8.	Mr. Jitender Balakrishnan	Usha Martin Limited	Independent Director
		Polyplex Corporation Limited	Independent Director
		India Glycols Limited	Independent Director
		Bharti Infratel Limited	Independent Director
		CG Power and Industrial Solutions Limited	Independent Director
9.	Mr. Rakesh Mehra	NIL	NA
10.	Mr. P. R. Tripathi*	Premier Explosives Limited	Independent Director
		IVRCL Limited	Independent Director
		IVRCL Assets & Holdings Limited	Independent Director

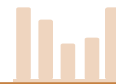
*Retired w.e.f. 1st April, 2019

2.4 List of Core Skills / Expertise / Competencies of directors

A chart or matrix 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 is as under :-

a)	Industry	i) Experience in and knowledge of the industry in which the Company operates ii) Experience and knowledge of broader industry environment and business planning
b)	Professional	Expertise in professional areas such as Technical, Accounting, Finance, Legal, Human Resources, Marketing, etc.
c)	Governance	Experience as director of other companies, awareness of their legal, ethical, fiduciary and financial responsibilities, Risk Assessment, Corporate Governance
d)	Behavioural	Knowledge and skills to function well as team members, effective decision making processes, integrity, effective communication, innovative thinking

The aforesaid core skills/ expertise / competencies are available with the Board of the Company.



Corporate Governance Report

2.5 Governance Policies

Your Company strives to conduct its business and strengthen relationships in a manner that is dignified, distinctive and responsible. Your Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, your 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

2.6 Meetings of Independent Directors

Your 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 also with the Board of Directors.

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

2.7 Code of Conduct

Your 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 2018-19.

K. K. Sarda

Chairman & Managing Director"

2.8 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 21st September, 2019 are given as under:

1	Name	Mrs. Uma Sarda
2	i) Age	60 years
	ii) Qualification	Bachelor of Arts in Home Science
	iii) Date of appointment	29.09.2014
3	Experience	She is attached with an NGO named Friends of Tribal Society which works for the primary education of the tribal children and health care of tribal people of Chhattisgarh. Apart from the above, she is associated with various social organizations in and around Raipur.
4	Other Directorships/ Partnerships	Rishabh Mining and Transport Company Private Limited
5	Chairman/ Member of Committees	–
6	Shareholding in the Company	4,89,425 Equity Shares
7	Relationship with Directors	Wife of Mr. K. K. Sarda and mother of Mr. Pankaj Sarda

Corporate Governance Report

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. G. S. Sahni (Chairman)
Mr. C. K. Lakshminarayanan	Mr. C. K. Lakshminarayanan
Mr. Rakesh Mehra	Mr. J. Balakrishnan
Mr. Pankaj Sarda	Mr. K. K. Sarda
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee [^]
Mr. J. Balakrishnan (Chairman)	Mr. G. S. Sahni (Chairman)
Mr. A. K. Basu	Mr. K. K. Sarda
Mr. Pankaj Sarda ^{**}	Mr. Pankaj Sarda
Risk Management Committee [§]	
Mr. K. K. Sarda (Chairman)	
Mr. Pankaj Sarda	
Mr. P. K. Jain, WTD & CFO	
Mr. A. K. Nanda (President)	

@ Re-constituted w.e.f. 1st April, 2019. Till 31.03.2019, Mr. G.S. Sahni was also a member.

Re-constituted w.e.f. 1st April, 2019. Till 31.03.2019, Mr. P. R. Tripathi was Chairman and Mr. C.K. Lakshminarayanan was not a member.

** W.e.f. 1st April, 2019.

^ Re-constituted w.e.f. 1st April, 2019. Till 31.03.2019, Mr. P. R. Tripathi was Chairman.

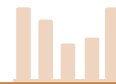
§ Non-Mandatory for the Company.

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

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

Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Meetings held	4	4	18	2	1
Attendance:					
Mr. K. K. Sarda	NA	4	NA	2	1
Mr. Pankaj Sarda	3	NA	NA	1	1
Mrs. Uma Sarda	NA	NA	NA	NA	NA
Mr. P. K. Jain	NA	NA	NA	NA	1
Mr. A. K. Basu	3	NA	18	NA	NA
Mr. C. K. Lakshminarayanan	4	NA	NA	NA	NA
Mr. G. S. Sahni	4	4	NA	NA	NA
Mr. J. Balakrishnan	NA	4	18	NA	NA
Mr. P. R. Tripathi*	NA	3	NA	2	NA
Mr. Rakesh Mehra	4	NA	NA	NA	NA

* Retired w.e.f. 1st April, 2019



Corporate Governance Report

3.3 Procedure at Committee Meetings

The Company's 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 and such other persons as the Committee may feel necessary, also attend the Audit Committee meeting(s) to respond to queries raised at the Committee meeting(s).

Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for:

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

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

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

The Executive Directors have been paid remuneration as per terms of their appointment. The Non-Executive Directors have been paid sitting fees for meetings of the Board and/or Committees attended by them. Also, pursuant to the approval of members, Non-Executive Independent Directors have been paid Commission on the net profits of your company for the year 2018-19.

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

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Commission	Total	Stock Options granted*
Mr. K. K. Sarda	141.36	0.40	17.34	350.00	509.10	NIL
Mr. Pankaj Sarda	62.84	0.29	8.10	100.00	171.23	NIL
Mr. P. K. Jain [#]	51.06	0.29	4.03	0.00	55.38	NIL

[#] Also holds the office of CFO

* No stock options were granted during the year.

Corporate Governance Report

Contract period:

Mr. K. K. Sarda, Chairman & Managing Director – Five years from 1st April, 2015

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

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

Note:

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

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

(₹ in Lakh)

Name of the Director	Sitting fees	Commission	Total
Mr. A. K. Basu	2.90	3.00	5.90
Mr. C. K. Lakshminarayanan	1.40	3.00	4.40
Mr. G. S. Sahni	1.60	3.00	4.60
Mr. J. Balakrishnan	3.40	3.00	6.40
Mr. P. R. Tripathi	1.30	3.00	4.30
Mr. Rakesh Mehra	1.20	3.00	4.20
Mrs. Uma Sarda	1.20	0.00	1.20

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 /or its subsidiaries during the year.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee considers and resolves the grievances of security holders of the company and also reviews and monitors/approves share transfers/duplicate share issues/share transmissions/dematerialization process.

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

The number of complaints received : 21 complaints were received which were attended in time. Apart from during the year the above, requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were also received and were attended promptly.

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

Number of pending complaints : No complaint was pending for redressal as on 31st March, 2019.

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 from time to time.

Risk Management Committee

The Committee is non-mandatory for the Company. 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.



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
21st September, 2018	11.00 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	Special Resolution to issue - NCDs upto and aggregate amount not exceeding ₹ 500 crore - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1000 crore were passed.
28th September, 2017	11.00 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	Special Resolution to issue NCDs upto and aggregate amount not exceeding ₹ 500 crore was passed.
30th September, 2016	11.30 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	No Special Resolution was passed in the meeting.

Special Resolutions passed through Postal Ballot

During 2018-19, Special Resolutions for re-appointment of Independent Directors were passed through Postal Ballot. Mr. Kamlesh Ojha, Partner, S.G. Kankani & Associates, Practising Company Secretaries was appointed as the Scrutinizer for the purpose of scrutinizing the entire voting process and ascertaining the results. Detail of voting pattern is 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	
i)	Re-appointment of Mr. A.K. Basu as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,78,76,028	99.6271	66,892	0.3728	10	0.0001	1,79,42,930
ii)	Re-appointment of Mr. C.K. Lakshminarayanan as an Independent Director for second term of 4 years w.e.f. 01.04.2019	1,78,75,938	99.6260	67,092	0.3740	-	-	1,79,43,030
iii)	Re-appointment of Mr. G.S. Sahni as an Independent Director for second term of 2 years w.e.f. 01.04.2019	1,78,00,363	99.2048	1,42,667	0.7952	-	-	1,79,43,030
iv)	Re-appointment of Mr. J. Balakrishnan as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,78,66,739	99.5748	76,291	0.4252	-	-	1,79,43,030
v)	Re-appointment of Mr. Rakesh Mehra as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,72,22,313	95.8765	7,40,707	4.1235	-	-	1,79,63,020

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 your Company's website - www.seml.co.in. No official 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 with the Stock Exchanges and have also been uploaded on the Company's website.

Corporate Governance Report

6. General shareholder information

Annual General Meeting	: Date: 21st September, 2019 : Time: 11.00 a.m. : Venue: Radisson Blu Hotel, 7, Airport, Wardha Road, Nagpur (M.H.) 440015
Financial calendar for 2018-19 (tentative)	:
Financial results for the quarters ended:	:
30th June, 2019	: 1st week of August, 2019
30th September, 2019	: 1st week of November, 2019
31st December, 2019	: 1st week of February, 2020
31st March, 2020	: 4th week of May, 2020 (audited)
Annual General Meeting (for F.Y. 2019-20)	September, 2020
Dividend payment date (for F.Y. 2018-19)	Within 5 days from 21st September, 2019
Listing on stock exchanges	
Equity shares	: The shares of the Company are listed on the following exchanges: i. BSE Limited, Mumbai (504614) ii. The National Stock Exchange of India Limited, Mumbai (SARDAEN) ISIN no. NSDL & CDSL - INE385C01013 No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. Your company has paid annual listing fees to the BSE Limited and to The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2019-20.
Registrar and share transfer agents (for physical and electronic)	: Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai - 400059 (M.H.)
Share transfer system	: In view of the SEBI circular, share transfers in physical have been stopped from 1st April, 2019. However, share transmission, name deletion and duplicate share issue activities are continuing for physical shares. Since physical shares transfers have been stopped, the member, in their own interest, are requested to get their Shareholding dematerialized at an early date.

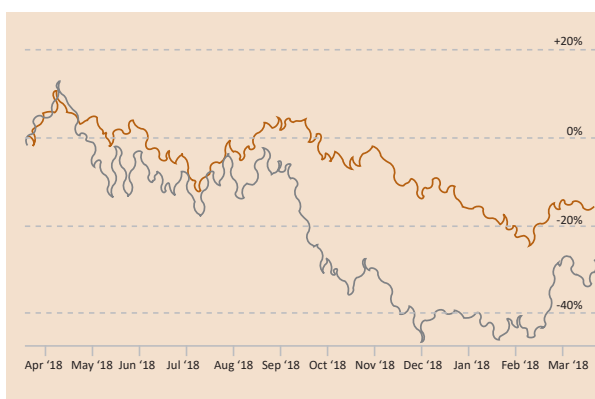
Market price data: High/low during the year 2018-19

Month	SEML on the BSE (in ₹)		SEML on the NSE (in ₹)	
	High	Low	High	Low
Apr, 2018	501.95	426.55	502.50	425.95
May, 2018	478.50	376.00	480.00	372.60
Jun, 2018	445.00	365.00	443.00	364.30
Jul, 2018	416.40	351.80	417.00	350.00
Aug, 2018	438.00	371.25	439.00	372.20
Sep, 2018	438.00	322.35	438.60	317.00
Oct, 2018	343.55	276.30	345.00	277.00
Nov, 2018	320.00	256.45	320.50	256.65
Dec, 2018	277.00	230.55	275.10	226.65
Jan, 2019	275.00	231.85	268.40	231.50
Feb, 2019	277.00	236.10	279.25	232.60
Mar, 2019	331.00	264.90	332.00	263.30

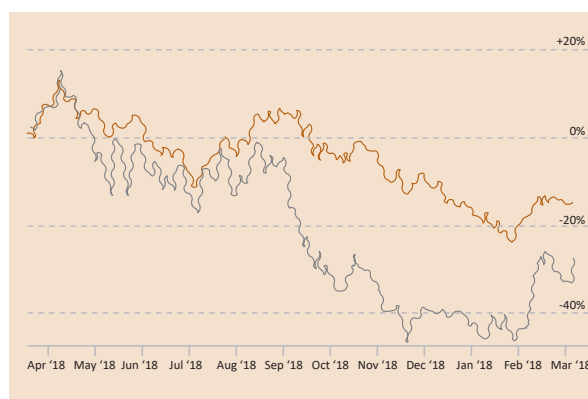


Corporate Governance Report

Comparison of SEML share price movements on BSE and NSE with CNX Metal Index



SEML on BSE vs CNX Metal Index



SEML on NSE vs CNX Metal Index

Shareholding pattern as on 31st March, 2019

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	2,61,34,360	72.50
2.	Banks/MFs /FIs/Ins.Cos. /NBFCs	22,576	0.06
3.	Foreign Portfolio Investors	7,87,587	2.19
4.	Overseas Corporate Bodies	6,84,891	1.90
5.	Bodies Corporate	15,68,119	4.35
6.	Individuals NRIs	2,05,309	0.57
7.	Resident Individuals	60,96,352	16.91
8.	IEPF Authority	1,41,528	0.39
9.	Others	4,08,513	1.13
	TOTAL*	3,60,49,235	100.00

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

Distribution of shareholding as on 31st March, 2019

Shareholding of nominal value (₹)	Shareholders		Shares	
	Number	% to total	₹	% to total
Up to 5,000	19,966	91.57	2,03,09,140	5.63
5,001 – 10,000	884	4.05	70,80,690	1.96
10,001 – 20,000	467	2.14	70,05,260	1.94
20,001 – 30,000	155	0.71	38,09,770	1.06
30,001 – 40,000	70	0.33	25,04,680	0.69
40,001 – 50,000	48	0.22	22,18,930	0.62
50,001 – 1,00,000	99	0.45	72,66,250	2.02
1,00,001 and above	116	0.53	31,02,97,630	86.08
Total	21,805	100.00	36,04,92,350	100.00

Corporate Governance Report

Dematerialization of securities : Your 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, 2019, out of the total 3,60,49,235 equity shares held by about 21,805 (PY 21,234) shareholders, 3,57,32,236 (PY 3,57,03,015) equity shares held by 19,062 (PY 18,229) shareholders representing 99.12% (PY 99.04%) percent of the total paid-up equity capital have been dematerialized.

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

7. Disclosures

a) Related Party Transactions

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

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

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

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

b) 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.

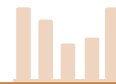
In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, is material in the context of its overall operations, and also in terms of the '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.

c) Credit Ratings

CRISIL has vide its letter dated 21st May, 2019, upgraded the long term rating at CRISIL A+ for long term credit facilities and retained CRISIL A1 for short term credit facilities. Total long term and short facilities rated amount to ₹ 735 crore.

d) 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.

During the last three years, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets except for the year 2017-18 where due to absence of quorum for the Board meeting, the board meeting scheduled to be held for approval of annual results for 2016-17 was held beyond a period of 60 days from the close of financial year (last date specified under SEBI LODR). Consequent to this, the approval of results was delayed by 7 days and as such, the Stock Exchanges had levied a fine for delay in announcing the results. The Company's request for not levying the fine was not accepted by the Stock exchanges. The Company had paid the fine.



Corporate Governance Report

Except the above, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. Except as disclosed above, no other penalties, strictures, fines were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. Further, as reported earlier, your Company's application for delisting is pending with the Calcutta Stock Exchange, for long. The matter has been reported to SEBI. In view of the pendency of delisting application with the Calcutta Stock Exchange, your Company has stopped reporting about the same and has also stopped sending the information to the Calcutta Stock Exchange.

e) 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.

f) 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.

g) The Board has adopted all the recommendations of any committee of the board during the year.

h) 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 ₹ 39.18 lakh (net of TDS).

i) 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.

j) 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 Report 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: 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.

Corporate Governance Report

In accordance with above provisions, the Company has transferred the unpaid dividend for the year 2010-11 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till date, the Company has transferred 1,41,528 shares to IEPF.

The details of unpaid dividend lying with the Company and the details of the shares transferred to IEPF are available on the website of the Ministry of Corporate Affairs and also on the website of the Company. All shareholders whose shares have been so transferred can claim their shares and dividend from the IEPF Authority by following the prescribed procedure.

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

k) Web-links

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

l) 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 other 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 Sarda Energy & Minerals Limited have been debarred or disqualified from being appointed or from continuing as directors of the Company by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any other 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**

Sd/-

Kamlesh Ojha

Partner

M.No. 39476

Place : Raipur
Date : 3rd July, 2019

Plant location : Industrial Growth Centre, Siltara, Raipur (C.G).

Address for correspondence : Regd. Office:
73-A, Central Avenue, Nagpur (M.H.)
Ph: +91-771-2722407
e-mail: info@seml.co.in
Works:
Industrial Growth Centre, Siltara
Raipur [C.G.] 493 111
Ph: +91-771-2216100 / Fax: +91-771-2216198
e-mail: info@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 29th September, 2014.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Ltd. ('the Company') for the year ended on 31st March, 2019, 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 2019.

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

Restriction on use

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

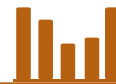
For, **O. P. Singhania & Co.**
Chartered Accountants
(ICAI Firm Reg. No. 002172C)

(Sanjay Singhania)
Partner

M.No.076961

Raipur
3rd August, 2019

Standalone Accounts



Independent Auditor's Report

To the Members of
Sarda Energy & Minerals Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **Sarda Energy & Minerals Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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

Our opinion on the 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 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

Independent Auditor's Report

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

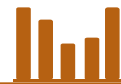
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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

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



Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - (e) on the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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";
 - (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjay Singhania
Partner

Membership No.076961

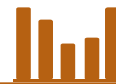
Raipur, 25th May, 2019

Annexure A

to the Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all major assets except certain low value items viz furniture & fixtures and office equipment have been physically verified by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed.
- (c) The title deeds of immovable properties, as disclosed in Note 2 on property, plant and Equipments to the financial statements, are held in the name of the Company except the immovable properties of merged companies which has still carried on the name of erstwhile companies and are yet to be updated in revenue records.
- (ii) As explained to us, the physical verification of inventories have been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The company has granted unsecured loan to four companies and one Limited Liability Partnership covered in the register maintained under section 189 of the companies Act, 2013 during the year. According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that:
 - (a) The terms & conditions of the grant of such loan are not prejudicial to the interest of the Company.
 - (b) As explained to us the principal amounts are repayable on demand, whereas the interest is payable annually at the discretion of the Company and the repayments or receipts are regular.
 - (c) Since the amount outstanding is not overdue, therefore, the provisions of clause 3 (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investment made, and guarantees and security provided by it. The Company has not granted any loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public, in terms of the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and rules framed thereunder; therefore the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the 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) (a) According to the information & explanations given to us, during the year the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, duty of customs, cess and any other statutory dues with the appropriate authorities. Further, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods & services tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the following cases:



Annexure A

to the Independent Auditor's Report

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	20.57	Mar 1986 to Oct 1988	At M.P. High Court
Central Excise Act, 1944	Excise Duty	7.62	Mar 1989 to Aug 1989	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	808.17	2015-16	Customs Excise & Service Tax Appellate Tribunal
	Penalty	808.54		
Central Sales Tax Act & Sales Tax Acts of Various states and Entry Tax Act, 1976	Value Added Tax, Central sales tax and Entry tax.	922.74	2006-07 to 2012-13	Appellate Authorities upto Commissioner's level
Chhatisgarh Upkar Adhiniyam, 1981	Energy Development Cess	6,079.20	May 2006 to Jan 2017	Supreme Court

- (viii) Based on our audit procedures, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or debenture holders as at the balance sheet date.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). According to the information and explanations given to us, and in our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xi) The Company has provided for managerial remuneration during the year in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

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

Sanjay Singhania
Partner

Membership No.076961

Raipur, 25th May, 2019

Annexure B

to the Independent Auditor's Report

Report on the Internal Financial Controls 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, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

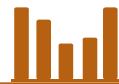
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Annexure B

to the Independent Auditor's Report

Opinion

In our opinion, 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, 2019, 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.

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

Sanjay Singhania
Partner

Membership No.076961

Raipur, 25th May, 2019

Balance Sheet

as at 31st March, 2019

(₹ in Lakh)

	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment		52,324.89	53,142.44
(b) Capital work-in-progress	2	1,904.65	2,279.28
(c) Investment Property		4,363.44	4,033.25
(d) Other Intangible Assets		311.68	354.17
(e) Intangible Assets under development		842.79	813.50
(f) Financial Assets			
(i) Investments	3	66,834.61	61,904.44
(ii) Other Financial Assets	4	1,884.55	1,997.16
(g) Other Non-current Assets	5	1,575.71	1,664.69
		1,30,042.32	1,26,188.93
(2) Current Assets			
(a) Inventories	6	30,044.14	30,375.67
(b) Financial Assets			
(i) Investments	7	5,242.50	7,284.25
(ii) Trade receivables	8	3,903.30	6,195.36
(iii) Bank, Cash & cash equivalents	9	117.59	97.59
(iv) Bank balances other than (iii) above	10	149.58	61.59
(v) Loans	11	32,643.99	18,718.06
(c) Other Current Assets	12	5,808.27	7,252.53
		77,909.37	69,985.05
TOTAL ASSETS		2,07,951.69	1,96,173.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	3,604.92	3,604.92
(b) Other Equity		1,52,960.50	1,33,266.09
Total Equity		1,56,565.42	1,36,871.01
Liabilities			
(1) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	14	9,794.58	11,024.47
(ii) Other financial liabilities	15	252.78	233.53
(b) Deferred tax liabilities (Net)	16	6,214.16	6,357.50
(c) Provisions	17	271.64	236.56
		16,533.16	17,852.06
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	17,527.27	18,584.33
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises		136.89	-
(b) Total outstanding dues of creditors other than micro and small enterprises		8,817.30	12,741.49
(iii) Other financial liabilities	19	4,785.60	6,192.85
(b) Other current liabilities	20	1,776.77	1,989.96
(c) Provisions	21	725.82	978.78
(d) Current tax liabilities (net)		1,083.46	963.50
		34,853.11	41,450.91
TOTAL EQUITY AND LIABILITIES		2,07,951.69	1,96,173.98

Significant Accounting Policies

1

The accompanying notes are forming integral part of Financial Statements

As per our report of even date attached

For and on Behalf of the Board

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

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

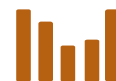
P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



Statement of Profit & Loss

for the year ended 31st March, 2019

(₹ in Lakh)

	Note	Year Ended 31.03.2019	Year Ended 31.03.2018
I. Revenue from operations	22	1,65,338.61	1,51,509.35
II. Other income	23	3,192.36	6,040.50
III. Total Revenue (I + II)		1,68,530.97	1,57,549.85
IV. Expenses:			
Cost of materials consumed	24	99,257.23	86,277.89
Purchases of Stock-in-Trade		4,782.87	12,576.51
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(1,346.83)	(1,390.04)
Excise Duty		–	3,958.98
Employee benefits expense	26	6,869.61	6,037.28
Finance costs	28	3,513.17	3,587.80
Depreciation and amortization expense	2	4,996.13	4,858.07
Other expenses	29	18,328.97	13,990.34
Total Expenses		1,36,401.15	1,29,896.83
V. Profit before Exceptional Items and Tax (III - IV)		32,129.82	27,653.02
VI. Exceptional items (Income) / Expense		–	780.00
VII. Profit Before Tax (V - VI)		32,129.82	26,873.02
VIII. Tax expense:			
(1) Current tax		10,779.59	6,635.59
(2) Deferred tax		(134.55)	1,450.52
IX. Profit for the period (VII - VIII)		21,484.78	18,786.91
Other comprehensive income for the year, net of tax			
Items that will not be reclassified to profit or loss		(50.75)	8.21
Income tax relating to items that will not be reclassified to profit or loss		17.73	(9.69)
Items that will be reclassified to profit or loss		54.03	–
Income tax relating to items that will be reclassified to profit or loss		(8.95)	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		21,496.84	18,785.43
X. Earnings per equity share:	31		
Basic		59.60	52.27
Diluted		59.60	52.27

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

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2019

(₹ in Lakh)

a Equity Share Capital

For the year ended 31st March, 2018	Balance at April 1, 2017	Changes in equity share capital during the year	Balance at March 31, 2018
	3,603.04	1.88	3604.92
For the year ended 31st March, 2019	Balance at April 1, 2018	Changes in equity share capital during the year	Balance at March 31, 2019
	3,604.92	–	3,604.92

b Other Equity

	Reserves and Surplus						OCI		Total other equity
	Capital Reserve	Securities Premium	Debenture Redemption Reserve	General Reserve	Share option outstanding account	Retained Earnings	Equity Instruments through Other Comprehensive Income	Remeasurements of the defined benefit plans	
Balance as of April 1, 2017	404.78	19,379.69	1,043.00	16,139.75	49.80	78,881.97	–	51.79	1,15,950.78
Transfer to general reserve	–	21.65	(1,043.00)	1,043.00	–	–	–	–	21.65
Share based payment to employees	–	–	–	–	–	–	–	(1.48)	(1.48)
Other Comprehensive Income	–	–	–	–	(49.80)	–	–	–	(49.80)
ESOP Option Added/(lapsed)	–	–	–	–	–	18,786.921	–	–	18,786.91
Profit for the year	–	–	–	–	–	(1,441.97)	–	–	(1,441.97)
Balance as of March 31, 2018	404.78	19,401.34	–	17,182.75	–	96,226.91	–	50.31	1,33,266.09
Balance as of April 1, 2018	404.78	19,401.34	–	17,182.75	–	96,226.91	–	50.31	1,33,266.09
Other Comprehensive Income	–	–	–	–	–	–	45.09	(33.01)	12.08
Profit for the year	–	–	–	–	–	21,484.78	–	–	21,484.78
Dividends	–	–	–	–	–	(1,802.45)	–	–	(1,802.45)
Balance as of March 31, 2019	404.78	19,401.34	–	17,182.75	–	1,15,909.24	45.09	17.30	1,52,960.50

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

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Partner

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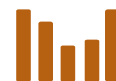
P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakh)

	Year ended 31.03.2019	Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per statement of Profit & Loss	32,129.82	26,873.02
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	4,996.13	4,858.07
Finance Costs	3,513.17	3,587.80
Exchange differences on translation of assets and liabilities	(64.94)	(187.42)
Loss pertaining to scraping of assets	72.29	306.12
Amortization/(Reversal) of Employee Stock Option Cost	-	(49.80)
Allowance/(Reversal) for credit losses on financial assets	(21.14)	106.89
Interest Income	(2,782.07)	(1,675.93)
Corporate Guarantee Commission	(46.29)	(47.65)
Net (Gain)/Loss on investments pertaining to Fair valuation	2,041.75	(890.92)
Dividend income	(1,843.53)	(1,494.91)
(Profit) / Loss on sale of investments	(1.11)	9.51
(Profit) / Loss on sale of Property, Plant & Equipment	136.30	(895.77)
Changes in assets and liabilities		
Trade Receivables	2,313.20	(1,294.07)
Inventories	331.52	(5,154.90)
Trade Payables	(3,722.36)	5,353.83
Loans and advances and other assets	1,676.37	(1,234.03)
Liabilities and provisions	(1,140.43)	(681.55)
	37,588.68	27,488.29
Income Tax Paid	(10,872.83)	(6,021.54)
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	26,715.85	21,466.75
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase)/decrease in Property, Plant and equipment including Investment Property CWIP & Capital advances	(4,118.41)	(4,350.61)
Sale of Property, Plant & Equipment	264.03	1,081.42
Investment (made) liquidated - subsidiaries	(4,246.03)	(10,716.97)
Investment (made) liquidated - Others	(582.71)	17.18
Loan repaid by/(given to) Subsidiaries & other parties	(14,072.05)	1,712.83
Interest received	2,782.07	1,675.93
Dividend received	1,843.53	1,494.91
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(18,129.57)	(9,085.31)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fresh issue of shares	-	23.55
Proceeds from long term borrowings	1,003.98	2,074.22
Repayment of long term borrowings	(3,002.83)	(7,098.50)
Short term borrowings (net)	(1,057.06)	(2,145.60)
Finance cost	(3,707.91)	(3,784.85)
Dividend & dividend tax paid	(1,802.46)	(1,441.97)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(8,566.28)	(12,373.15)
Increase/(decrease) in Cash and Cash equivalents (A+B+C)	20.00	8.29
Unrealised Exchange (Gain)/Loss on Cash & Cash Equivalents	-	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	20.00	8.29
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	97.59	89.30
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	117.59	97.59

Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakh)

	Year ended 31.03.2019	Year ended 31.03.2018
Supplementary Information:		
Restricted Cash Balance	149.58	61.59
Increase/(decrease) in Cash and Cash equivalents	20.00	8.29
Notes:		
(a) Cash and cash equivalent include the following :		
Cash on Hand	22.50	24.18
Balances with Scheduled banks	95.09	73.41
	117.59	97.59
(b) Previous Year figures have been recasted / restated wherever necessary		
(c) Figures in brackets represents outflows.		

As per our report of even date attached

For and on Behalf of the Board

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

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

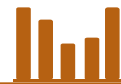
P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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

1. Company Overview

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

1.1 Significant Accounting Policies

Basis of preparation of financial statements

1.2 Statement of compliance

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

1.3 Basis of Measurement

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

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

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

1.4 Use of estimate

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

1.5 Summary of significant accounting policies

1.5.1 Revenue recognition

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

1.5.2 Other income

Interest income

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

Dividend income

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

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

Incentives

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

1.5.3 Property, plant and equipment

i) Recognition and measurement

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

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

ii) Depreciation

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

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

iii) Subsequent Costs

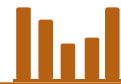
Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of replacing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

iv) Spare parts

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

1.5.4 Investment properties

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



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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 and
- 3) financial assets measured at fair value through profit and loss

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

Financial instruments measured at amortized cost:

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

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

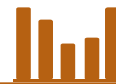
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs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

Financial instruments measured at fair value through other comprehensive income

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

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

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



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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 amortized cost:

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

Offsetting of financial instrument

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

1.5.10 Investments

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

1.5.11 Trade receivables

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

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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.

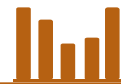
As a practical expedient, the Company uses a provision matrix to determine the impairment loss on its trade receivables. The provision matrix is based on historically observed default rates and is adjusted for forward looking estimates. At every reporting date, the historically observed default rates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

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



Significant Accounting Policies and Notes to financial statements for the year ended 31st March, 2019

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 realised simultaneously.

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

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

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the carrying amount of the MAT credit entitlement at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

1.5.17 Employee benefits

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

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

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

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

1.5.18 Provisions and contingent liabilities

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

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

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

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

1.5.19 Cash and cash equivalents

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

1.5.20 Foreign currency transactions

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

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

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

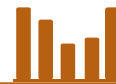
1.5.21 Borrowing cost

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

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

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

All other borrowing costs are recognized as an expense in the year in which they are incurred.



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

1.5.22 Share Based Payments

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

1.5.23 Advance Stripping Cost

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

1.5.24 Mine Restoration Expense

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

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

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

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

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

1.5.25 Earnings per share

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

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

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

1.5.26 Segment Reporting

i) Identification of Segments

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

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

ii) Segment Accounting Policies

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

iii) Inter-Segment Transfers

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

iv) Unallocated Items

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

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

1.5.27 Onerous Contracts

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

1.5.28 Cash Flow Statement

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

(₹ in Lakh)

2 PROPERTY, PLANT & EQUIPMENT

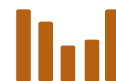
	Gross Block				Depreciation				Net Block	
	As on 01.04.2018	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2019	Up to 01.04.2018	Depreciation for the year	Transfer / Adjustment	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
Freehold Land	845.91	75.32	24.82	896.41	–	–	–	–	896.41	845.91
Leasehold Land	852.03	–	–	852.03	28.23	9.42	–	37.65	814.38	823.80
Building	13,597.49	788.75	271.96	14,114.28	2,363.17	755.86	8.63	3,110.40	11,003.88	11,234.32
Plant & Machinery	50,750.20	3,723.81	615.05	53,858.96	11,262.46	3,878.42	159.60	14,981.28	38,877.68	39,487.74
Furniture, Fixture & Equipment	452.60	98.81	1.55	549.86	242.99	95.08	1.30	336.77	213.09	209.61
Vehicles	863.84	201.82	105.27	960.39	322.78	192.54	74.38	440.94	519.45	541.06
Total	67,362.07	4,888.51	1,018.65	71,231.93	14,219.63	4,931.32	243.91	18,907.04	52,324.89	53,142.44

INVESTMENT PROPERTY

Freehold Land-IF	3,114.48	66.26	(24.82)	3,205.576	–	–	–	–	3,205.56	3,114.48
Admin Bidg- IP	971.63	–	(268.52)	1,240.15	52.86	21.41	(8.00)	82.27	1,157.88	918.77
Total	4,086.11	66.26	(293.34)	4,445.71	52.86	21.41	(8.00)	82.27	4,363.44	4,033.25

OTHER INTANGIBLE ASSETS

Software	186.61	0.92	–	187.53	85.06	24.81	–	109.87	77.66	101.55
Minig Rights & Development	308.42	–	–	308.42	55.80	18.60	–	74.40	234.02	252.62
Total	495.03	0.92	–	495.95	140.86	43.41	–	184.27	311.68	354.17



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

2 PROPERTY, PLANT & EQUIPMENT (Contd.)

	Gross Block				Depreciation				Net Block	
	As on 01.04.2017	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2018	Up to 01.04.2017	Depreciation for the year	Transfer / Adjustment	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
Freehold Land	845.91	–	–	845.91	–	–	–	–	845.91	845.91
Leasehold Land	852.03	–	–	852.03	18.82	9.41	–	28.23	823.80	833.21
Building	13,246.78	350.71	–	13,597.49	1,611.55	751.62	0.00	2,363.17	11,234.32	11,635.22
Plant & Machinery	47,572.20	3,304.67	126.67	50,750.20	7,425.76	3,862.85	26.15	11,262.46	39,487.73	40,146.41
Furniture, Fixture & Equipment	340.43	113.19	1.02	452.60	188.87	54.94	0.82	242.99	209.61	151.56
Vehicles	468.21	414.15	18.52	863.84	216.87	116.11	10.20	322.78	541.06	251.33
Total	63,325.56	4,182.72	146.21	67,362.07	9,461.87	4,794.93	37.17	14,219.63	53,142.43	53,863.64

INVESTMENT PROPERTY

Freehold Land-IF	2,511.36	780.44	177.32	3,114.48	–	–	–	–	3,114.48	2,511.36
Admin Bidg- IP	971.63	–	–	971.63	35.61	17.37	0.12	52.86	918.77	936.02
Total	3,482.99	780.44	177.32	4,086.11	35.61	17.37	0.12	52.86	4,033.25	3,447.38

OTHER INTANGIBLE ASSETS

Software	116.20	70.41	–	186.61	57.89	27.17	–	85.06	101.55	58.31
Minig Rights & Development	308.42	–	–	308.42	37.20	18.60	–	55.80	252.62	271.22
Total	424.62	70.41	–	495.03	95.09	45.77	–	140.86	354.17	329.53

3 NON CURRENT INVESTMENTS - FINANCIAL ASSET

	As at 31st March, 2019	As at 31st March, 2018
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 HK\$ 1.00 each	55.83	55.83
(b) 10,85,100 (P.Y. 10,85,100) Equity Shares of Sarda Global Venture Pte Limited of US\$ 1.00 each	660.88	660.88
(c) 7,16,307 (P.Y. 7,16,307) Equity Shares of Sarda Energy Limited	7,460.34	7,460.34
(d) 2,10,16,000 (P.Y. 2,10,16,000) Equity Shares of Sarda Metals & Alloys Limited	21,141.22	21,089.29
(e) 12,36,64,040 (P.Y. 10,68,48,040) Equity Shares of Madhya Bharat Power Corporation Limited	30,409.01	26,205.01
(f) 7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Private Limited	783.52	783.52
(g) NIL (P.Y. 1,64,700) Equity Shares of Sarda Hydropower Private Limited	–	21.49
(h) NIL (P.Y. 11,000) Equity Shares of Raipur Fabritech Private Limited	–	1.10
(i) NIL (P.Y. 5,100) Equity Shares of Raipur Industrial Gases Private Limited	–	0.51
(j) 7,155 (P.Y. 7,155) Equity Shares of Natural Resources Energy Private Limited	0.72	0.72
(k) 200 (P.Y. NIL) Equity Shares of Sarda Gobal Trading DMCC of AED 1,000 each	36.40	–
In Joint Ventures (at cost)		
(a) 1,30,800 (P.Y. 1,30,800) Equity Shares of Raipur Infrastructure Company Private Limited	210.70	210.70
(b) 1,30,742 (P.Y. 1,30,742) Equity Shares of Madanpur South Coal Company Limited	182.71	182.71

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

3 NON CURRENT INVESTMENTS - FINANCIAL ASSET

	As at 31st March, 2019	As at 31st March, 2018
B Other Investments		
C Investments in LLP (at cost)		
(a) Shri Ram Electricity LLP	352.60	351.88
(b) Chattisgarh Hydro Power LLP	5,352.67	4,752.24
(c) Sarda Hydro Power LLP	30.29	-
D In Other companies-Carried at FVTOCI		
4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited	141.32	87.30
E Investments in Mutual Funds; (Carried at FVTPL)		
1,49,990 units (P.Y. 3,99,980 units) of KBC Mutual Fund	16.40	40.92
	66,834.61	61,904.44
Aggregate amount of quoted investment and market value thereof-		
Aggregate book value of quoted investments	16.40	40.92
Aggregate market value of quoted investments	16.40	40.92
Aggregate value of unquoted investments	66,818.20	61,863.52
Investment carried at cost	66,676.88	61,776.22
Investment carried at fair value through OCI	141.32	87.30
Investment carried at fair value through Profit & Loss	16.40	40.92

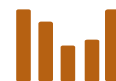
- (i) The Company, in its capacity as promoter, has pledged 11,48,35,000 shares of Madhya Bharat Power Corporation Limited and 1,07,18,160 shares of Sarda Metals & Alloys Limited as security for loans availed by the entities.
- (ii) Raipur Fabritech Private Limited and Raipur Industrial Gases Private Limited are under stike off.

4 OTHER FINANCIAL ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Security Deposits		
Unsecured, considered good	1,884.55	1,997.16
	1,884.55	1,997.16

5 OTHER NON CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(a) Capital Advances		
Unsecured, considered good	695.11	1,023.91
(b) Advances other than capital advances		
Unsecured, considered good		
(i) Security Deposits		
Unsecured, considered good	69.55	70.36
(ii) Other loans and advances		
Advance income tax	453.37	240.19
Prepaid expenses	23.61	30.71
Balances with Revenue Authorities	334.07	299.52
	1,575.71	1,664.69



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

6 INVENTORIES (valued at lower of cost and net realisable value)

	As at 31st March, 2019	As at 31st March, 2018
(a) Raw Material	14,057.52	15,927.73
(b) Finished / semi finished goods	13,376.71	11,314.53
(c) Stock-in-Trade	4.13	719.48
(d) Stores and spares	2,605.78	2,004.70
(e) Material in Transit	-	409.23
	30,044.14	30,375.67

7 CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
Investments in Equity Instruments-Carried at FVTPL In Other Companies		
32,813 (P.Y. 32,813) Equity Shares of Abhishek Mills Limited	0.21	0.92
15,00,000 (P.Y. 15,00,000) Equity Shares of Canfin Homes Limited	5,232.75	7,267.50
3,688 (P.Y. 3,688) Equity Shares of Indian Metals & Ferro Alloys Limited	9.54	15.83
	5,242.50	7,284.25
Aggregate amount of quoted investments and market value thereof;	5,242.50	7,284.25

The Company has pledged 12,75,000 Shares of Canfin Homes Limited for loans availed from Financial Institutions.

8 CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES

	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good - Unsecured	3,903.30	6,195.37
Trade receivables which have significant increase in Credit Risk	256.06	252.41
Trade receivable - credit impaired	14.86	36.00
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(270.92)	(288.42)
	3,903.30	6,195.36

9 CURRENT ASSETS - FINANCIAL ASSET - BANK, CASH & CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
In current accounts	95.09	73.41
Cash on hand	22.50	24.18
	117.59	97.59

For the purpose of cash flow statement, cash and cash equivalents comprise of:

	31st March, 2019	31st March, 2018
Balances with banks		
- In current accounts	95.09	73.41
Cash on hand	22.50	24.18
Total	117.59	97.59

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

10 CURRENT ASSETS - FINANCIAL ASSET - OTHER BANK BALANCES

	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend	149.58	61.59
	149.58	61.59

11 CURRENT ASSETS - FINANCIAL ASSET - LOANS

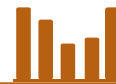
	As at 31st March, 2019	As at 31st March, 2018
(a) Loans and advances to related parties	26,392.03	10,271.04
Unsecured, considered good		
(b) Other loans		
Unsecured, considered good		
(i) Earnest money deposit	195.97	510.88
(ii) Loans to employees	9.75	9.51
(iii) Loans and advances to other parties	5,703.92	7,752.86
(iv) Claims & recoverables	342.32	173.77
	32,643.99	18,718.06

12 OTHER CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Advances other than capital advances		
(a) Other Advances		
(i) Employee Advance	3.61	4.52
(ii) Advances to vendors	5,341.11	7,044.32
(b) Other Advances		
(i) Advance royalty paid	341.44	38.54
(ii) Prepaid expenses	60.57	91.86
(iii) Balances with tax authorities	60.73	60.73
(iv) Others	0.81	12.56
	5,808.27	7,252.53

13 EQUITY SHARE CAPITAL

	As at 31st March, 2019		As at 31st March, 2018	
	No.	₹ in lakh	No.	₹ in lakh
A Authorized				
Equity Shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	3,60,49,235	3,604.92	3,60,49,235	3,604.92
	3,60,49,235	3,604.92	3,60,49,235	3,604.92



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

- 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, 2019		As at 31st March, 2018	
	No.	₹ in lakh	No.	₹ in lakh
Number of shares outstanding at the beginning of the period	3,60,49,235	3,604.92	3,60,30,398	3,603.04
Add: On account of ESOP		-	18,837	1.88
Number of shares outstanding at the end of the period	3,60,49,235	3,604.92	3,60,49,235	3,604.92

C Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the Company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	%	Number of shares	%
Chhatisgarh Investments Limited	1,38,78,760	38.50%	1,37,88,760	38.25%
Sarda Agriculture & Properties Private Limited	26,35,150	7.31%	26,35,150	7.31%

- E In the period of five years immediately preceding 31st March, 2019, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash except 1,99,235 options given to employees under ESOP for subscription of shares @ ₹ 125/ per share.
- F There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.
- G. SEML ESOP Scheme 2012
- The Company has established an Employee Stock Option Plan ('ESOP') in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, which has been approved by the Board of Directors and the shareholders. Nomination & Remuneration Committee of the Company administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company plans to grant upto 7,17,000 options to eligible employees and directors of the Company and subsidiaries of the Company.
 - The options Granted under the SEML ESOP Scheme 2012 shall vest as under:
 - 1/3 rd at the end of one year from the date of Grant.
 - 1/3 rd at the end of two years from the date of Grant.
 - 1/3 rd at the end of three years from the date of Grant.
 - The Grantees have a period of 2 years to exercise the Options from the date of vesting, after which unexercised options will lapse.
 - Options in respect of the Shares vested at each vesting date can be exercised in maximum four tranches subject to the exercise period of 2 years from the date of vesting. Each option is exercisable for one equity share of ₹ 10 each fully paid up on payment of exercise price of share determined with respect to the date of grant.

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

e. The movement in the scheme is set out as under:

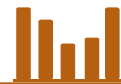
	SEML ESOP Scheme 2012 – Year Ended			
	31st March, 2019		31st March, 2018	
	Options Number	Weighted Average exercise price Amount (in ₹)	Options Number	Weighted Average exercise price Amount (in ₹)
Outstanding at the beginning of year	NIL	NIL	26,464	125.00
Granted during the year	NIL	NIL	NIL	NIL
Exercised during the year	NIL	NIL	18,837	125.00
Forfeited during the year	NIL	NIL	NIL	NIL
Expired during the year	NIL	NIL	7,627	NIL
Outstanding at the end of the year	NIL	NIL	NIL	125.00
Exercisable at the end of the year (Options which have vested)	NIL	NIL	NIL	125.00
Number of Equity Shares of ₹10/- each fully paid up to be issued on exercise of option	NIL	NIL	3,33,360	125.00
Exercise price at the date of exercise	N.A.	N.A.	N.A.	N.A.
Weighted average remaining contractual life (months) (including exercise period)	---	---	---	---

f. Proforma accounting for stock option grants

The Company has applied the intrinsic value-based method of accounting for determining compensation cost for its ESOP Plan. Had the compensation cost been determined using fair value approach, the Company's net income and basic/diluted earnings per share as reported would have changed to the proforma amounts as indicated:

(₹ in Lakh)

S.No.	Particulars	Year Ended	Year Ended
		31st March, 2019	31st March, 2018
1	Net Profit as reported	--	18,786.91
2	Add : Stock based employee compensation expense debited to statement of profit and loss	--	49.80
3	Less : Stock based employee compensation expense based on fair value	--	--
4	Difference between (2) & (3)	--	--
5	Adjusted pro forma profit	--	18,786.91
6	Difference between (1) & (5)	--	49.80
7	Basic earnings per share as reported	-	52.27
8	Proforma earnings per share	-	52.27
9	Diluted earnings per share as reported	-	52.27
10	Proforma Diluted earnings per share	-	52.27



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

- g. The fair value of the options, calculated by an independent consultant was estimated on the date of grant using the Black-Scholes model with the following significant assumptions:

Particulars	Assumptions
Risk free interest rate (in %)	8%
Expected life (in months)	41
Volatility (in %)	8%
Dividend yield (in %)	30%

The volatility of the options is based on the historical volatility of the share price for the last one year as on the date of grant.

- h. Details of weighted average exercise price and fair value of the stock options granted at price below market price (on the date of grant):

Particulars	
Total options granted	3,33,360
Weighted average exercise price (in ₹)	125.00
Weighted average fair value (in ₹)	126.43

Note: As on 31st March, 2019 and 31st March, 2018, no ESOP were pending for exercise. All granted ESOPs have either been exercised or have been lapsed.

14 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakh)

	Non-Current portion		Current Maturities	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	₹	₹	₹	₹
Term loans (Secured)				
from banks				
Indian Rupee Loan	9,794.58	11,024.47	2,167.78	2,936.73
	9,794.58	11,024.47	2,167.78	2,936.73

1) Nature of security :

- Term Loans from Bank are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.
- Term Loan of ₹ 5,000 lakh which is secured by way of mortgage of immovable properties of related companies [Present outstanding is NIL (P.Y. ₹ 1,000 lakh)].
- Besides this, the Term Loan from Banks are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarada, Mr. Manish Sarada & Mr. Pankaj Sarada.

2) Repayment terms :

- Rupee term loan of ₹ 14,797 lakh (Present Outstanding ₹ 9,254.80 lakh) from Banks is payable in 32 equal quarterly installments starting from June, 2016.
- Rupee term loan -II of ₹ 3,691 lakh (Present Outstanding ₹ 2,855.95 lakh) from Banks is payable in 28 equal quarterly installments starting from December, 2018.

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

15 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Security Deposit Received		
Deposits from Vendors	234.96	226.53
Other payables	17.82	7.00
	252.78	233.53

16 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	6,357.50	5,090.16
Deferred tax liability / (assets) during the year on account of timing difference	(143.34)	1,267.34
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	6,214.16	6,357.50

17 PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for employee benefits		
Provision for Leave encashment	271.64	236.56
	271.64	236.56

18 CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

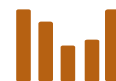
	As at 31st March, 2019	As at 31st March, 2018
Secured		
<u>From Banks (Secured)</u>		
Working capital loans (repayable on demand)	12,227.27	8,730.91
Working capital Buyers Credit loans	–	5,853.42
	12,227.27	14,584.33
<u>From Banks and Financial Institutions (Unsecured)</u>		
From banks	2,000.00	2,000.00
From Others	3,300.00	2,000.00
	5,300.00	4,000.00
	17,527.27	18,584.33

Terms of repayment

- a) Short term loan from Bank ₹ 2,000 Lakh is payable in September, 2019 and ₹ 3,300 Lakh from others is payable in February, 2020.

Security

- a) 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.
- b) Short term loan from others is secured by pledge of shares belonging to the Company and belonging to related companies.



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

19 CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
(a) Current maturities of long term debt	2,167.78	2,936.73
(b) Interest accrued but not due on borrowings	33.39	81.79
(c) Deposits from customers	3.73	0.90
(d) Expenses payable	384.78	230.18
(e) Salary & reimbursements	1,342.44	1,033.63
(f) Bill discounting	703.90	1,845.48
(g) INR payable to bank in forex account	-	2.55
(h) Unpaid Dividends	149.58	61.59
	4,785.60	6,192.85

20 OTHER CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
(a) Others -		
Indirect taxes payable	996.25	397.54
(b) Deposit from Employees	125.39	91.76
(c) Advances from customers	541.53	1,374.28
(d) TDS payables	113.60	126.38
	1,776.77	1,989.96

21 PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
(a) Provision for gratuity	226.75	176.16
(b) Provision for Leave encashment	24.08	18.56
Provision for expenses	474.99	784.06
	725.82	978.78

22 REVENUE FROM OPERATIONS

	2018-19	2017-18
Sale of products		
Sponge Iron	28,475.90	26,082.96
Ferro Alloys	44,211.59	46,340.93
Steel Billets	11,052.89	5,596.84
Wire Rod / HB Wire	45,314.17	38,191.46
Pellet	28,787.57	20,830.09
Power	295.63	133.70
Others	6,884.69	13,858.40
Other operating revenues	316.17	474.97
Revenue from Operations (Gross)	1,65,338.61	1,51,509.35

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

23 OTHER INCOME

	2018-19	2017-18
Interest Income	2,828.36	1,723.58
Dividend Income		
From Subsidiaries	1,812.98	1,464.54
From Others	30.55	30.38
Corporate guarantee commission	46.29	47.65
Fair value gain on Financial Instruments at FVTPL	(2,041.75)	890.92
Other non-operating income (net of expenses directly attributable to such income)	515.93	1,883.43
	3,192.36	6,040.50

24 COST OF RAW MATERIAL CONSUMED

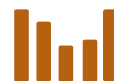
	2018-19	2017-18
Iron Ore	29,643.05	18,787.66
Mn Ore	20,671.20	19,371.63
Coal	40,258.93	40,925.15
Scrap	6,853.31	5,100.92
Other Material	1,830.74	2,092.53
	99,257.23	86,277.89

25 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE

	2018-19	2017-18
Inventories at the end of the year		
Finished Goods / Semi-finished goods	13,376.71	11,314.53
Trading Goods	4.13	719.48
	13,380.84	12,034.01
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	11,314.53	10,643.97
Trading Goods	719.48	—
	12,034.01	10,643.97
Increase/(Decrease) in Inventories	1,346.83	1,390.04

26 EMPLOYEE BENEFIT EXPENSE

	2018-19	2017-18
Salaries, incentives & Managerial Remuneration	6,266.87	5,472.15
Contributions to -		
Provident fund	327.09	302.68
Superannuation scheme	18.30	17.24
Gratuity fund	131.08	119.47
Staff welfare expenses	126.27	125.74
	6,869.61	6,037.28



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

27 EMPLOYEE BENEFITS

a) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

	Gratuity		Leave Encashment	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Actuarial study analysis				
Principal actuarial assumptions				
Discount rate	7.70%	7.75%	7.70%	7.50%
Range of compensation increase	9.50%	9.50%	9.50%	9.50%
Attrition rate:				
Age 21 - 44	5.00%	5.00%	5.00%	5.00%
Age 45 - 59	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	7.70%	7.75%	N/A	N/A
Plan duration	58.00	58.00	58.00	58.00
Components of statement of income statement charge				
Current service cost	115.87	102.30	25.02	18.12
Interest cost	12.28	15.79	19.55	19.22
Recognition of past service cost	–	–	–	–
Settlement/curtailment/termination loss	–	–	–	–
Total charged to statement of profit or loss	128.15	118.09	44.57	37.34
Movements in net liability/(asset)				
Net liability at the beginning of the year	176.16	216.94	255.12	250.24
Employer contributions	(129.91)	(178.66)	(2.36)	(4.46)
Total expense recognized in the consolidated statement of profit or loss	128.15	118.09	44.57	37.34
Total amount recognized in OCI	52.35	19.80	(1.60)	(28.00)
Net liability at the end of the year	226.75	176.17	295.73	255.12
Reconciliation of benefit obligations				
Obligation at start of the year	1,104.70	937.39	255.11	250.24
Current service cost	115.87	102.30	25.02	18.12
Interest cost	83.78	71.63	19.55	19.22
Benefits paid directly by the Company	(33.39)	(26.36)	(2.36)	(4.46)
Extra payments or expenses/(income)				
Obligation of past service cost	52.08	19.75	(1.61)	(28.01)
Actuarial loss				
Defined benefits obligations at the end of the year	1,323.04	1,104.71	295.71	255.11
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	7.67	(25.71)	1.47	(6.65)
Actuarial gain/(loss) on account of experience adjustments	44.41	45.51	(3.08)	(21.36)
Total actuarial gain/(loss) recognised in OCI	52.08	19.80	(1.61)	(28.01)
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	928.55	720.46	–	–
Interest on plan assets	71.49	55.84	–	–
Contributions made	129.91	178.66	2.36	4.46
Benefits paid	(33.39)	(26.36)	(2.36)	(4.46)
Actuarial (loss)/gain on plan assets	(0.26)	(0.05)	–	–
Fair value of plan assets at the end of the year	1,096.30	928.55	–	–

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

b) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Discount rate				
+ 1% discount rate	1,208.28	1,008.08	268.16	230.92
- 1% discount rate	1,445.59	1,217.34	328.03	283.55
Salary increase				
+ 1% salary growth	1,455.21	1,215.68	328.40	283.92
- 1% salary growth	1,207.57	1,007.97	267.36	230.16

c) Experience adjustments

	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Defined benefit obligation	1,323.04	1,104.70	295.71	255.11
Fair value of plan assets	1,096.30	928.55	–	–
(Surplus)/deficit in plan assets	226.74	176.15	295.71	255.11
Experience adjustment on plan liabilities	44.41	45.51	(3.08)	(21.36)
Actual return on plan assets less interest on plan assets	(0.26)	(0.05)	–	–

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

28 FINANCE COSTS

	2018-19	2017-18
Interest expense	3,002.29	3,009.60
Other borrowing costs	463.76	486.19
Exchange difference to the extent considered as an adjustment to borrowing costs	47.12	92.01
	3,513.17	3,587.80

The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 9.83% (PY: 9.55%).

29 OTHER EXPENSES

	2018-19	2017-18
Stores & Spares Consumption	4,899.26	4,147.81
Power	467.30	1,186.19
Manufacturing Expenses		
Plant process & services	1,508.58	1,384.60
Material handling Expenses	2,662.58	1,941.18
Other Manufacturing Expenses	14.04	17.77
Increase/ (Decrease) of excise duty on inventory	–	(641.80)
Repairs & Maintenance		
Building	368.90	157.13
Plant & Machinery	765.10	778.97
Others	577.54	302.86



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

29 OTHER EXPENSES (Contd.)

	2018-19	2017-18
Rent	113.79	114.36
Rates & Taxes	1,371.93	1,440.94
Insurance Charges	148.95	137.45
Miscellaneous Expenses		
Travelling & Conveyance Expenses	404.74	393.34
Legal & Professional Expenses	562.39	618.66
Administrative Expenses	954.92	562.89
Other Expenses	49.53	207.73
Selling Expenses		
Carriage Outward	1,552.07	1,184.79
Selling Commission & Brokerage	415.88	432.41
Other Selling Expenses	21.19	36.38
Exchange differences (net)	1,450.39	(443.83)
Payment to Auditors	21.00	21.00
Gains/Loss on sale of investments	(1.11)	9.51
	18,328.97	13,990.34

30 PAYMENTS TO THE AUDITOR

	2018-19	2017-18
As auditor:		
Audit fee	18.00	18.00
Tax audit fee	3.00	3.00
	21.00	21.00

31 EARNINGS PER SHARE (EPS)

	2018-19	2017-18
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Lakh)	21,484.78	18,786.91
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	360.49	360.49
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	360.49	360.49
Basic (₹)	59.60	52.27
Diluted (₹)	59.60	52.27

32 OTHER COMPREHENSIVE INCOME

	As at 31st March, 2019	As at 31st March, 2018
A. (i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(50.75)	8.21
(ii) Income tax relating to items that will not be reclassified to profit or loss	17.73	(9.69)
B. (i) Items that will be reclassified to profit or loss		
Fair valuation of unquoted investments	54.03	—
(ii) Income tax relating to items that will be reclassified to profit or loss	(8.95)	—
Total Other Comprehensive Income	12.06	(1.48)

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

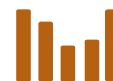
33 SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As part of secondary reporting, the Company has no geographical segment by location.

A) Business Segment Primary

	2018-19				2017-18			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,14,926.96	48,908.96	329.56	1,64,165.48	92,337.28	57,869.45	277.45	1,50,484.18
Inter segment sales		1,225.92	21,339.84	22,565.76		1,086.70	17,774.71	18,861.41
Others Unallocated				1,173.13				1,025.17
Less: Inter Segment sales		12,25.92	21,339.84	22,565.76		1,086.70	17,774.71	18,861.41
Total Revenue	1,14,926.96	48,908.96	329.56	1,65,338.61	92,337.28	57,869.45	277.45	1,51,509.35
Result								
Segment Result	34,976.18	5,222.42	(438.67)	39,759.93	23,369.06	7,309.32	473.86	31,152.24
Unallocated Expenses net off unallocated income				(2,666.54)				(1,135.25)
Operating Profit				37,093.39				30,016.99
Interest & Forex Fluctuation Loss (Net)				(4,963.57)				(3,143.97)
Profit Before Tax & Extraordinary Item				32,129.82				26,873.02
<u>Provision for taxation</u>								
For Current Year				(10,779.59)				(6,635.59)
For Deffered Taxation				134.55				(1,450.52)
Profit After Taxation				21,484.78				18,786.91
Other Information								
Segment Assets	70,265.67	15,788.212	14,067.79	1,00,121.68	65,685.75	23,352.59	16,003.95	1,05,042.29
Unallocated Assets				1,07,830.01				91,131.69
Total Assets				2,07,951.69				1,96,173.98
Segment Liabilities	14,530.15	1,766.88	4,846.68	21,143.71	12,126.84	11,017.90	3,485.25	26,629.99
Unallocated Liabilities				30,242.56				32,672.96
Total Liabilities				51,386.27				59,302.95
Capital Expenditure	2,261.73	625.97	391.25	3,278.95	2,641.83	107.82	1,794.08	4,543.73
Depreciation / Amortization	2,764.46	363.82	1,138.90	4,267.18	3,234.44	398.98	695.94	4,329.36
Unallocated Depreciation				728.95				528.70



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

34 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 Raipur Fabritech Private Limited* Raipur Industrial Gases Private Limited* Natural Resources Energy Private Limited
2	Controlled Entities	Chhattisgarh Hydro Power LLP Sarda Hydro Power LLP (Eartswile Sarda Hydro Power Private Limited) Shri Ram Electricity LLP
3	Joint Ventures	Raipur Infrastructure Company Limited Madanpur South Coal Company Limited
4	Related Enterprises where interest of the Company/ directors exists	Chhatisgarh Investments Limited Geschaf Formulae India Private Limited (Formerly known as Sarda Solution and Technologies Private Limited) Rishabh Mining & Transport Company Private Limited Sarda Dairy & Food Products Limited Goldenlife Financial Services Private Limited Earth Stahl & Alloys Private Limited Chhattisgarh Metaliks & Alloys Private Limited Jai Balaji Enterprises
5	Director / Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mrs. Uma Sarda Mr. Pankaj Sarda Mr. Padam Kumar Jain (WTD & CFO) Mr. Prabhakar Ram Tripathi Mr. Gajinder Singh Sahni Mr. Jitender Balakrishnan Mr. C.K. Lakshminarayanan Mr. Asit Kumar Basu Mr. Rakesh Mehra Mr. Manish Sethi (CS)
6	Relatives of Directors / KMP's	Mrs. Veena Sarda Mr. Satyanarayan Khator Mr. Mahesh Khator Mr. Anant Sarda Ms. Niharika Jain

* Companies are under strike off.

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

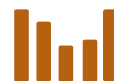
b) Material Transactions with Related Parties

	Subsidiaries	Controlled Entities	Joint Ventures	Related Enterprises where interest of the Company /directors exists	Director / KMP	Relatives of Directors / KMP's
Loans/Advances Given	26,322.60	3,883.00	–	24,840.50	–	–
	(32,288.02)	(2,768.00)	–	(27,409.91)	–	–
Loans/Advances Received Back	21,795.00	3,870.00	–	15,142.03	–	–
	(34,573.72)	(2,403.00)	–	(26,936.12)	–	–
Material Transferred/Sold	6,596.83	0.17	–	183.71	–	–
	(5,407.69)	(5.68)	(0.03)	(1,172.24)	(1.33)	–
Materials Purchased	2,444.10	–	4.73	984.33	–	–
	(916.12)	(47.10)	–	(852.82)	–	–
Interest Received	538.94	57.10	–	1,468.96	–	–
	(353.08)	(97.37)	–	(322.57)	–	–
Interest Paid	–	–	–	0.12	–	1.44
	–	–	–	(41.77)	–	(1.44)
Commission Paid	–	–	–	–	–	14.08
	–	–	–	–	–	(8.30)
Dividend Income	1,812.98	–	–	–	–	–
	(1,464.54)	–	–	–	–	–
Remuneration	–	–	–	–	780.50	17.79
	–	–	–	–	(606.80)	(7.84)
Rent Paid	–	–	–	120.01	–	2.40
	–	–	–	(120.01)	–	(2.40)
Services Offered	54.62	–	3.54	–	–	–
	(54.12)	–	(3.54)	–	–	–
Services Received	–	–	–	239.43	–	–
	–	–	–	(161.35)	–	–
Corporate Guarantee Given / (received back)	(17.50)	–	–	–	–	–
	–	–	–	–	–	–
Investments made/Share application money	4,292.32	708.96	–	–	–	–
	(10,394.63)	(370.05)	–	–	–	–
Investments Buyback	–	–	–	–	–	–
	–	–	(60.49)	–	–	–
Investments written off	1.61	–	–	–	–	–
	–	–	–	–	–	–

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

Outstanding as at 31.03.2019

Receivable	8,393.48	517.03	–	17,528.60	0.61	–
	(3,386.95)	(452.63)	–	(6,613.57)	(3.61)	(0.09)
Corporate Guarantee Outstanding	6,170.09	–	–	–	–	–
	(6,187.59)	–	–	–	–	–
Investments	60,547.91	5,834.57	393.41	–	–	–
	(56,257.20)	(5,125.61)	(393.41)	–	–	–
Payables	–	–	–	2.07	464.31	23.02
	–	–	–	(107.99)	(312.56)	(20.59)



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

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

	2018-19	2017-18
Loans/Advances given		
Sarda Metals and Alloys Limited	21,426.72	29,941.02
Chhatisgarh Investments Limited	24,840.50	26,959.80
Loans/Advances Received Back		
Sarda Metals and Alloys Limited	20,995.00	33,020.72
Chhatisgarh Investments Limited	15,118.61	26,936.00
Materials Transferred/Sold		
Sarda Metals and Alloys Limited	6,520.42	5,407.69
Chhatisgarh Investments Limited	–	1070.42
Materials Received/Purchased		
Sarda Metals and Alloys Limited	2,399.12	898.30
Earth Stahl & Alloys Private Limited	718.37	69.77
Chhatisgarh Investments Limited	1.93	742.75
Interest Received		
Sarda Metals and Alloys Limited	195.79	186.94
Chhatisgarh Investments Limited	1,468.96	320.03
Parvatiya Power Limited	184.31	166.14
Chhattisgarh Hydro Power LLP	57.10	97.37
Interest Paid		
Satyanarayan Khator	0.36	0.36
Mr. Mahesh Khator	1.08	1.08
Goldenlife Financial Services Private Limited	–	41.65
Commission paid		
Satyanarayan Khator	14.08	8.30
Remuneration Paid		
Mr. Kamal Kishore Sarda	509.09	444.94
Mr. Pankaj Sarda	171.23	70.54
Dividend Income		
Sarda Energy & Minerals Hongkong Limited	1,812.98	1,464.54
Rent Paid		
Chhatisgarh Investments Limited	73.66	73.66
Rishabh Mining & Transport Company Private Limited	46.35	46.35
Services Offered		
Sarda Metals and Alloys Limited	54.62	54.12
Services Received		
Geschaft Formulae India Private Limited	239.43	161.35
Corporate Guarantee Received back		
Sarda Metals and Alloys Limited	17.50	–
Investment Made including Share Application		
Madhya Bharat Power Corporation Limited	4,204.00	10,340.51
Chhattisgarh Hydro Power LLP	695.83	370.05
Investment Bought Back		
Madanpur South Coal Company Limited	–	60.49
Investment Written Off		
Raipur Fabritech Private Limited	1.10	–
Raipur Industrial Gases Private Limited	0.51	–

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Outstanding as on

	31st March, 2019	31st March, 2018
Investments		
Sarda Metals and Alloys Limited	21,141.22	21,089.29
Madhya Bharat Power Corporation Limited	30,409.01	26,205.01
Sarda Energy Limited	7,460.34	7,460.34
Receivables		
Sarda Metals and Alloys Limited	1,774.87	1,166.94
Chhatisgarh Investments Limited	17,486.14	6,460.81
Madhya Bharat Power Corporation Limited	4,891.62	–
Parvatiya Power Limited	1,712.98	2,206.23
Corporate Guarantee		
Sarda Metals and Alloys Limited	6,170.09	6,187.59
Payables		
Mr. K.K. Sarda (Remuneration)	356.03	305.87
Mr. Pankaj Sarda (Remuneration)	104.46	2.84
Geschaft Formulae India Private Limited	–	64.08

35 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account, net of advance given and not provided for as at 31st March, 2019 is ₹ 511.05 Lakh (31st March, 2018: ₹ 899.15 Lakh).
- Company has commitment of ₹ NIL as at 31st March, 2019 (31st March, 2018: ₹ 1092.73 Lakh) in Madhya Bharat Power Corporation Limited.
- Company has commitment for remittance of AED 800,000 (equivalent to INR 150.96 Lakh) towards equity contribution in wholly owned subsidiary, M/s Sarda Global Trading DMCC as at 31st March, 2019.

36 CORPORATE SOCIAL RESPONSIBILITY

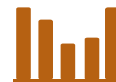
As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year is ₹ 294.55 Lakh.
- Amount spent during the year on:

Sl. No.	Particulars	In Cash	Yet to be paid	Total
(i)	Construction / acquisition of any asset	–	–	–
(ii)	On purposes other than (i) above	294.71	–	294.71

37 DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company has certain dues to suppliers registered under Micro, Small & Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSME Act are as follows:



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

	As at 31st March, 2019	As at 31st March, 2018
(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	136.89	—
- Interest due on above	0.05	—
(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.	—	—

38 CONTINGENT LIABILITIES

	Year ended 31st March, 2019	Year ended 31st March, 2018
Guarantees given by Company's bankers	3,172.72	3,375.07
Guarantees given to DGFT on behalf of wholly owned subsidiary for meeting export obligation	98.88	98.88
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	71.21	88.71
Bills discounted with the Company's bankers under Letters of Credit	703.91	1,972.13
Corporate Guarantee given to Axis Trustee Services Limited for disbursement of term loan to Sarda Metals & Alloys Ltd. (SMAL), wholly owned subsidiary of the Company	6,000.00	6,000.00
Claims against the Company not acknowledged as debt & disputed in appeals	642.39	688.54
Excise Duty & Service Tax Demand	1,644.90	1,720.63
VAT, CST & Entry Tax	922.74	724.42
Energy Development Cess	6,079.20	5,543.80

i) Guarantee given to Director General of Foreign Trade ₹ 98.88 lakh (P.Y. ₹ 98.88 lakh) and Assistant Commissioner of Customs ₹ 71.21 lakh (P.Y. ₹ 88.71 lakh) on behalf of Sarda Metals & Alloys Limited, wholly owned subsidiary of the Company for fulfillment of Export Obligation against import of capital goods under Export Promotion Capital Goods Scheme.

ii) Excise Duty & Service Tax

- Excise duty demand of ₹ 21.62 lakh (P.Y. ₹ 20.57 lakh) raised on account of Cenvat credit availed, which the Company has disputed in High Court, Jabalpur (MP).
- ₹ NIL (P.Y. ₹ 6.97 lakh) on account of duty on VAT Collected by the Company against which the Company has filed an appeal before the High Court, Bilaspur (CG).

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

- c Excise Duty demand of ₹ NIL (P.Y. ₹ 54.78 lakh) raised on account of Cenvat credit availed which the Company has disputed and has filed appeal before the Central Excise & Service Tax Appellate Tribunal (CESTAT).
- d Excise Duty demand of ₹ NIL (P.Y. ₹ 13.99 lakh) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- e Excise Duty demand of ₹ 7.62 lakh (P.Y. ₹ 7.62 lakh) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- f Service Tax demand of ₹ 1,616.70 lakh (P.Y. ₹ 1,616.70 lakh) raised on account of Service Tax on amount received in an international arbitration case settled out of court, which the Company has disputed and has filed appeal before Central Excise & Service Tax Appellate Tribunal (CESTAT).

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

Value Added Tax/Central Sales Tax/Entry Tax demands of ₹ 922.74 (P.Y. ₹ 724.42 lakh) are pending in appeal against assessment of various years.

- iv) Energy Development Cess of ₹ 6,079.20 lakh (P.Y. ₹ 5,543.80 lakh) net of amount deposited ₹ 294.34 lakh (P.Y. ₹ 294.34 lakh) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to February 2019. The Honorable High Court of Chhattisgarh has held the levy of Energy Development Cess as unconstitutional vide its Order dated 20th June, 2008. The State Govt. has filed a Special Leave Petition before the Honorable Supreme Court.
- v) Disputed in appeals includes a claim against SEML for ₹ 44.68 lakh. Against this, SEML has filed a counter claim of ₹ 453.34 lakh.
- vi) Bank Guarantee of ₹ 500.00 lakh (P.Y. ₹ 500.00 lakh) given as security deposit against contract for disposal of old power project awarded to the Company was invoked by Ms/. West Bengal Power Development Corporation Limited. The Company has challenged the wrongful invocation in the High court of Kolkata. WBPDCCL has on the orders of the Hon'ble High Court deposited the amount of bank guarantee with the Court. The Company has been legally advised that it has a strong case in its favour, hence no liability provided.

39 CONTINGENT ASSET

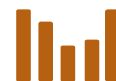
- i) Company has various pending insurance claims in lieu of machine break down adding up to ₹ 190.16 Lakh as on 31st March, 2019.
- ii) Consequent to the deallocation of the coal block Gare Palma IV/7, the Company had filed a writ petition before the Hon'ble High Court of Delhi challenging the compensation amount and exclusion of washery from the mine infrastructure. Following the order of Hon'ble High Court of Delhi dated 09.03.2017, Ministry of Coal, Govt. of India had asked for resubmitting the compensation claim. Accordingly the Company has resubmitted compensation claim of ₹ 17,651.85 Lakh. This includes compensation of ₹ 2,641.44 Lakh already received by the Company in FY 2016-17. This matter is still pending with Ministry of Coal, Govt. of India.

40 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



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

CREDIT RISK

The Company is exposed to credit risk as a result of the risk of counterparties non performance or default on their obligations. The Company's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

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

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on historical data, loss on collection of dues is not material hence no additional provisions considered.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was: (₹ in Lakh)

	31st March, 2019	31st March, 2018
Trade and other receivables	3,903.30	6,195.36
Loans and advances	34,528.54	20,715.23
Cash and cash equivalents	117.59	97.59

Impairment losses

	31st March, 2019	31st March, 2018
Trade and other receivables (measured under life time excepted credit loss model)		
Opening balance	288.43	295.82
Provided during the year	(17.51)	(7.39)
Closing balance	270.92	288.43

Ageing analysis

	31st March, 2019	31st March, 2018
Upto 3 months	3,728.43	5,988.14
3-6 months	3.14	119.08
More than 6 months	442.65	376.58
	4,174.22	6,483.80

No significant changes in estimation techniques or assumptions were made during the reporting period.

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

LIQUIDITY RISK

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

Financing arrangements

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

(₹ in Lakh)

Particulars	31st March, 2019	31st March, 2018
Term Loan - Union Bank of India-TG3	612.78	1,616.78
Cash Credit facility	6,539.61	4,769.00
Current investments	5,242.50	7,284.25

Maturities of financial liabilities

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

As at 31st March, 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	19,695.04	9,794.59	–	29,489.63
Trade payables	8,954.19	–	–	8,954.19
Security deposits	3.73	252.78	–	256.51
Other financial liabilities	2,614.09	–	–	2,614.09
	31,267.05	10,047.37	–	41,314.42

As at 31st March, 2018	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	21,521.06	8,522.06	2,502.41	32,545.53
Trade payables	12,741.49	–	–	12,741.49
Security deposits	0.90	233.53	–	234.43
Other financial liabilities	3,255.22	–	–	3,255.22
	37,518.67	8,755.59	2,502.41	48,776.67

INTEREST RATE RISK

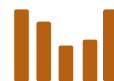
Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating 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, 2019	31st March, 2018
Variable rate borrowings	22,499.15	16,692.11
Fixed rate borrowings	6,990.60	15,853.42



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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, 2019	31st March, 2018
Interest rates - increase by 70 basis points	(164.80)	(179.43)
Interest rates - decrease by 70 basis points	164.80	179.43

CURRENCY RISK

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Currency in Lakh

	Currency	2018-19	2017-18
Borrowings	USD	–	89.81
Trade Payables	USD	48.46	109.19
Trade Receivables	USD	–	(20.74)

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

	Impact on profit after tax	
	31st March, 2019	31st March, 2018
Foreign exchange rates - increase by 1%	(33.49)	(116.18)
Foreign exchange rates - decrease by 1%	33.49	116.18

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 ₹ 105.18 lakh (2017-18 : ₹ 146.50 lakh); 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 ₹ 2.83 lakh (2017-18: ₹ 1.75 lakh); an equal change in the opposite direction would have decreased profit and loss.

41 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;

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

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

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

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

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

(₹ in Lakh)

	31st March, 2019	31st March, 2018
Total liabilities	11,962.36	13,961.19
Less : Cash and cash equivalent	117.59	97.59
Net debt	11,844.77	13,863.60
Total equity	1,56,565.42	1,36,871.02
Net debt to equity ratio	0.08	0.10

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

42 FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

31st March, 2019	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amortized Cost*		Level 1	Level 2	Level 3	
Financial assets								
Bank, Cash and cash equivalents	-	-	267.16	267.16				-
Non-current investments	-			-				-
Unquoted Equity Investments		141.33	66,676.88	66,818.21		141.33		141.33
Quoted Mutual Funds	16.40			16.40	16.40			16.40
Current investments	-			-				-
Quoted Equity Investments	5,242.50			5,242.50	5,242.50			5,242.50
Financial Asset: Loans & Others	-		34,378.07	34,378.07				-
Trade and other receivables	-		3,903.30	3,903.30				-
	5,258.90	141.33	1,05,225.41	1,10,625.64	5,258.90	141.33	-	5,400.23
Financial Liabilities								
Long term borrowings			9,794.58	9,794.58				-
Short term borrowings			17,527.27	17,527.27				-
Trade and other payables			8,954.19	8,954.19				-
Other financial liabilities	-		5,038.38	5,038.38	-			-
	-	-	41,314.42	41,314.42	-	-	-	-



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

31st March, 2018	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amotized Cost*		Level 1	Level 2	Level 3	
Financial assets								
Bank, Cash and cash equivalents	-	-	159.18	159.18				
Non-current investments	-	-	-	-				-
Unquoted Equity Investments	-	87.30	61,776.22	61,863.52		87.30		87.30
Quoted Mutual Funds	40.92		-	40.92	40.92			40.92
Current investments	-	-	-	-				-
Quoted Equity Investments	7,284.25	-	-	7,284.25	7,284.25			7,284.25
Financial Asset: Loans & Others	-	-	20,715.22	20,715.22	-			-
Trade and other receivables			6,195.36	6,195.36				-
	7,325.17	87.30	88,845.98	96,258.45	7,325.17	87.30	-	7,412.47
Financial liabilities								
Long term borrowings			11,024.47	11,024.47				-
Short term borrowings			18,584.33	18,584.33				-
Trade and other payables			12,741.48	12,741.48				-
Other financial liabilities			6,426.39	6,426.39				-
	-	-	48,776.67	48,776.67	-	-	-	-

* The carrying value and the fair value approximates.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.
- 4) The fair values of the unquoted equity shares designated at FVTOCI have been estimated by using the most recent purchase price of such shares. (level 2)

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

43 INCOME TAX EXPENSE

(₹ in Lakh)

i) Income tax recognized in profit or loss

a. Current tax expense

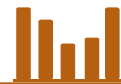
	31st March, 2019	31st March, 2018
Current year	11,013.86	6,678.88
Adjustment for prior periods	(234.27)	(43.29)
	–	–
Deferred tax expense	–	–
Origination and reversal of temporary differences	(134.55)	1,450.52
Total income tax expense	10,645.04	8,086.11

ii) Income tax recognized in OCI

	31st March, 2019	31st March, 2018
Remeasurements of defined benefit plans and fair valuation of Equity Instruments	8.78	(9.69)
Total income tax expense relating to OCI items	8.78	(9.69)

b) Reconciliation of tax expense and accounting profit

	31st March, 2019	31st March, 2018
Accounting profit before tax from continuing operations	32,129.82	26,873.02
Accounting profit before tax from discontinued operations		
Accounting profit before tax	32,129.82	26,873.02
Expected Tax Rate	34.94%	34.61%
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	11,227.45	9,300.21
Adjustments in respect of current income tax of previous years	(234.27)	(43.29)
Exceptional item not considered for tax purpose	166.68	126.08
Expense Allowable for tax purpose	(3,063.91)	(3,464.15)
Expense not allowed for tax purpose	2,782.53	1,756.76
Deduction under Chapter VIA	(419.03)	(416.09)
Income not considered for tax purpose other than PGBP	2.02	13.39
Income Taxable at special rate of tax	316.76	253.42
Income Taxable at special rate of tax	1.35	133.63
Mat Credit used	–	(1,024.38)
Other temporary differences	(134.55)	1,450.52
Effective income tax rate	33.13%	30.09%
At the effective income tax rate of 18.85% (31st March, 2016: 32.70%)		
Income tax reported in the statement of profit and loss	10,645.03	8,086.11
Income tax attributed to discontinued operations	–	–
Total	10,645.04	8,086.11



Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

c) Deferred tax assets and liabilities

Deferred tax relates to the following:

	31st March, 2019	31st March, 2018
Accelerated depreciation for tax purposes	81.86	437.81
Expenses allowed on payment basis	(12.14)	(4.56)
DTA impact on indexatio of land	(28.56)	(14.64)
DTA impact on net movement , Valuation & others	(184.49)	(86.78)
MAT Credit Adjusted	–	1,128.39
Total	(143.33)	1,460.22

d) Reconciliation of deferred tax assets/ Liabilities

	31st March, 2019	31st March, 2018
Opening balance as at 1st April	6,357.50	5,090.16
Tax income/expense during the period recognized in profit or loss	–	1,460.22
MAT Credit Adjusted	–	(192.88)
Closing balance	6357.50	6,357.50

44 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	Relationship	2018-19		
		Amount outstanding as at 31.03.2019 ₹ in Lakh	Maximum amount outstanding during the year ₹ in Lakh	Investment by the loanee in the shares of the Company No. of shares
Loans where there is no repayment schedule:				
Sarda Metals & Alloys Limited	Subsidiary	1,774.87	2,466.94	
Parvatiya Power Limited	Subsidiary	1,712.98	2,206.23	
Madhya Bharat Power Corporation Limited	Subsidiary	4,897.95	4,897.95	
Mosh Varaya Infrastructure Limited	Others	3,474.36	4,350.55	
Kamal Trading Company	Others	0.10	0.10	
Chhatisgarh Investments Limited	Others	17,486.14	18,183.17	1,38,78,760
Sarda Power & Steel Limited	Others	1,208.21	2,022.49	
Chhattisgarh Hydro Power LLP	Controlled Entity	517.03	1,823.63	
Orient Press Limited	Others	0.00	100.21	
Manees Pipes Private Limited	Others	566.45	800.00	
Simplex Prefab Infrastructure (India) Pvt. Ltd.	Others	42.39	42.39	
Earth Sthal & Alloys Private Limited	Others	0.00	23.42	
Shiv Trading Company	Others	110.80	110.80	
K K Vyas	Others	0.28	0.28	

Significant Accounting Policies and Notes

to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Name of the entities	Relationship	2018-19		
		Amount outstanding as at 31.03.2019 ₹ in Lakh	Maximum amount outstanding during the year ₹ in Lakh	Investment by the loanee in the shares of the Company No. of shares
G R Mining and Logistics Private Limited	Others	0.00	66.02	
Shabro Metallic Private Limited	Others	0.00	103.68	
Neha Devcon Private Limited	Others	55.92	67.31	
Aarti Sponge And Power Limited	Others	85.92	108.78	
Subh Raipur Vyapar Vihar Developers LLP	Others	0.00	35.40	
Aryan Infra Services	Others	10.49	21.67	
Arihant Infrastructure	Others	21.00	65.99	
Loans where there no repayment schedule and no interest is charged:				
Natural Resources Energy Private Limited	Subsidiary	3.06	3.06	

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

45 PREVIOUS YEAR'S FIGURES HAVE BEEN RECASTED/REGROUPED/RESTATE, WHEREVER NECESSARY TO MAKE THEM COMPARABLE.

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
25th May, 2019

K. K. Sarda
Chairman & Managing Director
DIN: 00008170
Raipur
25th May, 2019

For and on Behalf of the Board

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

Manish Sethi
Company Secretary



Consolidated Accounts

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, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. 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 ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements/consolidated financial statements and on the other Financial Information of the subsidiaries, associates and Jointventures, 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 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 Financial Statements and Auditor's Report Thereon

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

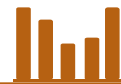
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 accounting principles generally accepted in India,



Independent Auditor's Report

including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

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

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

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

Independent Auditor's Report

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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

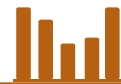
- (a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹ 2,14,059.43 Lakh as at 31st March, 2019, total revenues of ₹ 72,433.30 Lakh, and net cash flows amounting to ₹ 746.79 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net profit/(loss) of (₹ 5.02) Lakh and the Group's share of total comprehensive income/(loss) of (₹ 37.03) Lakh for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associates and one joint ventures, whose financial statements / financial information have not been audited by us. These financial statements/informations 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 subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



Independent Auditor's Report

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the 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, 2019 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, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
- (g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in 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— Refer Note 37 to the consolidated financial statements.
 - ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

Sanjay Singhania
Partner

Membership No.076961

Raipur, 25th May, 2019

Annexure A

to the Independent Auditor's Report

Report on the Internal Financial Controls 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 Ind AS financial statements of the Company as of and for the year ended 31st March, 2019, 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 Companies Act, 2013.

Auditors' Responsibility

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

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

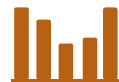
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Annexure A

to the Independent Auditor's Report

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sanjay Singhania
Partner

Membership No.076961

Raipur, 25th May, 2019

Consolidated Balance Sheet

as at 31st March, 2019

(₹ in Lakh)

	Note	As at 31.03.2019	As at 31.03.2018
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment		1,24,887.86	1,27,499.77
(b) Capital work-in-progress	2	1,05,449.26	77,499.66
(c) Investment Property		5,198.92	4,868.73
(d) Other Intangible Assets		3,266.93	3,481.31
(e) Intangible Assets under development		878.26	845.97
(f) Investment in associates and Joint Ventures	3	2,990.62	2,859.64
(g) Financial Assets			
(i) Investments	3	1,700.96	2,619.42
(ii) Other Financial Assets	4	2,914.68	3,008.30
(h) Other Non-current Assets	5	5,111.26	7,100.33
		2,52,398.75	2,29,783.13
(2) Current Assets			
(a) Inventories	6	43,949.14	41,125.62
(b) Financial Assets			
(i) Investments	7	16,601.08	18,592.23
(ii) Trade receivables	8	9,255.70	13,123.68
(iii) Bank, Cash & cash equivalents	9	4,349.38	6,763.85
(iv) Bank balances other than (iii) above	10	149.58	61.59
(v) Loans	11	31,254.08	20,971.85
(c) Current tax assets (net)		-	40.92
(d) Other Current Assets	12	8,589.92	10,798.44
		1,14,148.88	1,11,478.18
TOTAL ASSETS		3,66,547.63	3,41,261.31
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	3,604.92	3,604.92
(b) Other Equity		1,74,196.53	1,54,041.62
Equity Attributable to owners of the Company		1,77,801.45	1,57,646.54
Non Controlling Interests		8,155.28	8,847.85
Total Equity		1,85,956.73	1,66,494.39
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,06,403.64	98,320.25
(ii) Other financial liabilities	15	1,429.38	1,521.48
(b) Deferred tax liabilities (Net)	16	7,102.64	6,808.89
(c) Provisions	17	870.80	776.16
		1,15,806.46	1,07,426.78
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	26,762.29	32,672.35
(ii) Trade Payables			
(a) Total outstanding dues of micro and small enterprises		287.85	-
(b) Total outstanding dues of creditors other than micro and small enterprises		17,772.70	13,079.44
(iii) Other financial liabilities	19	15,691.87	16,227.74
(b) Other current liabilities	20	2,177.75	2,889.47
(c) Provisions	21	815.95	1,079.83
(d) Current tax liabilities (net)		1,276.03	1,391.31
		64,784.44	67,340.14
TOTAL EQUITY AND LIABILITIES		3,66,547.63	3,41,261.31

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

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

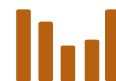
P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



Consolidated Statement of Profit & Loss

for the year ended 31st March, 2019

(₹ in Lakh)

	Note	Year Ended 31.03.2019	Year Ended 31.03.2018
I. Revenue from operations	22	2,32,388.96	2,21,658.91
II. Other income	23	1,684.99	7,033.21
III. Total Revenue (I + II)		2,34,073.95	2,28,692.12
IV. Expense			
Cost of materials consumed	24	1,43,061.40	1,31,509.26
Purchases of Stock-in-Trade		10,094.06	15,663.31
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	25	(3,837.64)	606.91
Excise Duty		–	4,288.50
Employee benefits expense	26	8,735.08	7,711.99
Finance costs	27	9,895.62	9,668.20
Depreciation and amortization expense	2	7,647.18	7,317.91
Other expenses	28	26,109.23	21,717.24
Total Expenses		2,01,704.93	1,98,483.32
V. Profit before Exceptional Items and Tax (III - IV)		32,369.02	30,208.80
VI. Exceptional items (Income) / Expense		–	780.00
VII. Profit Before Tax (V - VI)		32,369.02	29,428.80
VIII. Tax expense			
(1) Current tax		11,069.45	7,250.13
(2) Deferred tax		580.63	1,701.55
IX. Profit for the period (VII - VIII)		20,718.94	20,477.12
X. Add: Share of Profit of Joint Ventures & Associates		(5.82)	44.00
XI. Profit for the period (IX - X)		20,713.12	20,521.12
XII. Other comprehensive income for the year, net of tax	29		
Items that will not be reclassified to profit or loss		(52.15)	28.56
Income tax relating to items that will not be reclassified to profit or loss		28.61	(38.13)
Items that will be reclassified to profit or loss		(980.16)	(663.39)
Income tax relating to items that will be reclassified to profit or loss		241.69	285.74
XIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,951.11	20,133.90
XIV. Net Profit /(loss) attributable to			
a) Owner of the Company		20,317.70	20,249.19
b) Non Controlling Interest		395.42	271.93
XV. Total Comprehensive income /(loss) attributable to			
a) Owner of the Company		19,922.23	20,080.39
b) Non Controlling Interest		28.88	53.51
XVI. Earnings per equity share:	30		
Basic		56.36	56.01
Diluted		56.36	56.01

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

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

P. K. Jain

Wholetime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2019

(₹ in Lakh)

a Equity Share Capital

For the year ended 31st March, 2018	Balance at April 1, 2017	Changes in equity share capital during the year	Balance at March 31, 2018
	3,603.04	1.88	3604.92
For the year ended 31st March, 2019	Balance at April 1, 2018	Changes in equity share capital during the year	Balance at March 31, 2019
	3,604.92	–	3,604.92

b Other Equity

	Reserves and Surplus						OCI		Foreign Currency Translation Reserve	Total other equity
	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Share option outstanding account	Retained Earnings	Remeasurements of the defined benefit plans	Equity Instruments through Other Comprehensive Income		
Balance as of April 1, 2017	842.21	19,381.55	1,043.00	16,139.75	49.80	94,781.52	74.98	108.70	(265.67)	1,32,155.84
Transfer to general reserve			(1,043.00)	1,043.00						-
Other Comprehensive Income							59.41	(228.21)		(168.80)
ESOP Option Added/(lapsed)					(49.80)					(49.80)
Addition during the year	(437.43)	21.66							453.62	37.85
Profit for the year						20,249.19				20,249.19
Changes in control						3,259.31				3,259.31
Dividends & Tax thereof						(1,441.97)				(1,441.97)
Balance as of March 31, 2018	404.78	19,403.21	-	17,182.75	-	1,16,848.05	134.39	(119.51)	187.95	1,54,041.62
Balance as of April 1, 2018	404.78	19,403.21	-	17,182.75	-	1,16,848.05	134.39	(119.51)	187.95	1,54,041.62
Other Comprehensive Income	-	-	-	-	-	-	(60.52)	(334.95)	-	(395.47)
Addition during the year	-	-	-	-	-	-	-	-	881.63	881.63
Profit for the year	-	-	-	-	-	20,317.70	-	-	-	20,317.70
Final Dividend & Tax	-	-	-	-	-	(1,802.46)	-	-	-	(1,802.46)
Changes in control	-	-	-	-	-	1,153.51	-	-	-	1,153.51
Balance as of March 31, 2019	404.78	19,403.21	-	17,182.75	-	1,36,516.80	73.87	(454.46)	1,069.58	1,74,196.53

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

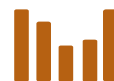
For **O. P. Singhania & Co.**
(ICAI FRN 002172C)
Chartered Accountants

Sanjay Singhania
Partner
Membership No. 076961
Raipur
25th May, 2019

K. K. Sarda
Chairman & Managing Director
DIN: 00008170
Raipur
25th May, 2019

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

Manish Sethi
Company Secretary



Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakh)

	Year ended 31.03.2019	Year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax as per statement of Profit & Loss	32,369.02	29,428.80
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	7,647.18	7,317.91
Finance Costs	9,895.62	9,668.20
Amortization/(Reversal) of Employee Stock Option Cost	–	(49.80)
Exchange differences on translation of assets & liabilities	(640.95)	(187.42)
Net (Gain)/Loss on investments pertaining to Fair valuation	2,472.68	(1,339.05)
Interest Income	(3,231.74)	(2,290.51)
Dividend income	(127.80)	(278.59)
(Profit) / Loss on sale of investments	(343.00)	(29.93)
(Profit) / Loss on sale of Property, Plant & Equipment	135.35	(902.52)
Effect of exchange difference on translation of subsidiaries	881.63	453.62
Changes in assets and liabilities		
Trade Receivables	3,895.14	(2,561.64)
Inventories	(2,823.52)	(6,863.63)
Trade Payables	5,477.32	2,176.85
Loans and advances and other assets	998.91	1,473.88
Liabilities and provisions	(610.20)	320.08
	55,995.64	36,336.25
Income Tax Paid	(11,384.54)	(6,286.54)
NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES	44,611.10	30,049.71
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Increase)/decrease in Property, Plant and equipment including CWIP & Capital advances	(31,043.85)	(26,207.28)
Sale of Property, Plant & Equipment	266.49	1,098.24
Investment made in Joint Venture, MFs & Others	(789.89)	(4,190.67)
Investment liquidated in Joint Venture, MFs & Others	1,618.90	6,723.22
Loan repaid by/(given to) related parties & others	(9,067.59)	4,317.87
Interest received	3,231.74	2,290.51
Dividend received	127.80	278.59
Change in non-controlling interest	(722.76)	48.60
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(36,379.16)	(15,640.92)

Consolidated Cash Flow Statement

for the year ended 31st March, 2019

(₹ in Lakh)

	Year ended 31.03.2019	Year ended 31.03.2018
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from fresh issue of shares	–	23.55
Proceeds from long term borrowings	16,440.62	25,916.25
Repayment of long term borrowings	(9,550.08)	(21,487.51)
Short term borrowings (net)	(5,769.06)	(2,201.09)
Interest Paid	(9,965.44)	(9,459.21)
Dividend & dividend tax paid	(1,802.45)	(1,441.94)
Capital Subsidy received	–	5.00
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(10,646.41)	(8,644.95)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(2,414.47)	5,763.84
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,763.85	1,000.01
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,349.38	6,763.85
Supplementary Information:		
Restricted Cash Balance	149.58	61.59
Notes:		
(a) Cash and cash equivalent include the following :		
Cash on Hand	33.29	32.12
Balances with banks	4,316.09	6,731.73
	4,349.38	6,763.85
(b) Previous year figures have been recasted/restated wherever necessary		
(c) Figures in brackets represented outflows.		

As per our report of even date attached

For and on Behalf of the Board

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

(ICAI FRN 002172C)

Chartered Accountants

Sanjay Singhania

Partner

Membership No. 076961

Raipur

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

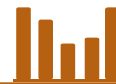
P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

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, 2019. 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 intra group 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, 2019. The financial statement of associate has been audited up to 31st December, 2018 and the period from 1st January to 31st March, 2019 was unaudited considered in the consolidated financial statement.
- 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.

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

vi) Non-controlling interests in the net assets of consolidated subsidiaries is identified and is presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence

1.3 Other significant accounting policies

i) Land-Right to use will be amortized over a period of 35 years from the date of commercial operation of the project in line with CERC Tariff Regulations notified for tariff fixation.

ii) Service Concession Agreement

Specific Hydro Power Project of the Group recognizes an intangible asset arising from Service concession agreements to the extent it has a right to charge for use of concession infrastructure as per Appendix A of IND AS 11. Such intangible asset is measured at cost less any accumulated amortization.

iii) Revenue- Service Concession Arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period the services are rendered by the group.

iv) Free of Cost Materials issued to the Contractor

Materials for the purpose of being used in specific Hydro Power project of the Group are recognized at purchase cost by the Company. Since they are to be used in the project construction, they are immediately issued at cost to Contractor. Therefore no materials stock is separately disclosed in the Financial statements on the reporting date, as their cost forms part of the carrying value of Capital Work in Progress as soon as they are procured and issued. Materials issued to the Contractor and lying with it are reconciled periodically and differences identified, if any, are recovered from the Contractor or recognized appropriately according to the nature of difference and as per contractual obligations.

The rest of the Accounting Policies followed by the Group are set out under "Significant Accounting Policies" as given in the Parent Company's standalone financial statements.



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

2 PROPERTY, PLANT & EQUIPMENT

	Gross Block			Depreciation				Net Block		
	As on 01.04.2018	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2019	Up to 01.04.2018	Depreciation for the year	Transfer / Adjustment	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
Freehold Land	2,852.51	75.32	24.82	2,903.01	-	-	-	-	2,903.01	2,852.51
Leasehold Land	1,036.63	-	-	1,036.63	34.31	12.09	(1.82)	48.22	988.41	1,002.32
Building	25,628.50	1,115.11	271.96	26,471.65	3,794.61	1,166.21	8.58	4,952.24	21,519.41	21,833.89
Plant & Machinery	1,16,991.83	4,141.71	646.02	1,20,487.52	16,265.10	5,983.79	186.89	22,062.00	98,425.52	1,00,726.73
Furniture, Fixture & Equipment	734.62	112.75	1.55	845.82	359.57	136.46	1.29	494.74	351.08	375.05
Vehicles	1,061.72	261.32	115.06	1,207.98	352.45	237.74	82.64	507.55	700.43	709.27
Total	1,48,305.81	5,706.21	1,059.41	1,52,952.61	20,806.04	7,536.29	277.58	28,064.75	1,24,887.86	1,27,499.77
Depreciation taken to Preoperative Expenses						37.77				
Net Depreciation during the year						7,498.52				

INVESTMENT PROPERTY

Freehold Land-IF	3,949.95	66.26	(24.82)	4,041.03	-	-	-	-	4,041.03	3,949.95
Building - IP	971.63	-	(268.53)	1,240.16	52.86	21.41	(8.00)	82.27	1,157.89	918.78
Total	4,921.58	66.26	(293.35)	5,281.19	52.86	21.41	(8.00)	82.27	5,198.92	4,868.73

OTHER INTANGIBLE ASSETS

Goodwill	131.25	-	131.25	-	-	-	-	-	-	131.25
Computer Software	186.62	0.92	-	187.54	85.07	24.81	-	109.88	77.66	101.55
Minig Rights & Development	308.42	-	-	308.42	55.80	18.60	-	74.40	234.02	252.62
Rights to use land	3,239.05	43.20	-	3,282.25	243.16	83.84	-	327.00	2,955.25	2,995.89
Total	3,865.34	44.12	131.25	3,778.21	384.03	127.25	-	511.28	3,266.93	3,481.31

2 PROPERTY, PLANT & EQUIPMENT

	Gross Block			Depreciation				Net Block		
	As on 01.04.2017	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2018	Up to 01.04.2017	Depreciation for the year	Transfer / Adjustment	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
Freehold Land	2,852.51	-	-	2,852.51	-	-	-	-	2,852.51	2,852.51
Leasehold Land	980.95	55.68	-	1,036.63	21.36	12.95	-	34.31	1,002.32	974.39
Building	23,287.02	2,341.48	-	25,628.50	2,653.51	1,141.10	-	3,794.61	21,833.89	20,631.31
Plant & Machinery	95,758.79	21,738.53	505.49	1,16,991.83	10,804.11	5,817.93	356.94	16,265.10	1,00,726.73	84,941.08
Furniture, Fixture & Equipment	537.46	200.56	3.40	734.62	282.31	78.19	0.93	359.57	375.05	255.15
Vehicles	585.23	548.37	71.88	1,061.72	262.21	142.95	52.71	352.45	709.27	323.02
	124,001.96	24,884.62	580.77	148,305.81	14,023.50	7,193.12	410.58	20,806.04	127,499.77	109,977.46
Depreciation taken to Preoperative Expenses						20.50				
Net Depreciation during the year						7,172.62				

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

2 PROPERTY, PLANT & EQUIPMENT (Contd.)

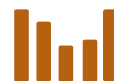
	Gross Block				Depreciation			Net Block		
	As on 01.04.2017	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2018	Up to 01.04.2017	Depreciation for the year	Transfer / Adjustment	As on 31.03.2018	As on 31.03.2018	As on 31.03.2017
INVESTMENT PROPERTY										
Freehold Land-IF	3,346.90	644.87	41.82	3,949.95	-	-	-	-	3,949.95	3,346.90
Building - IP	971.63	-	-	971.63	35.61	17.37	0.12	52.86	918.78	936.02
Total	4,318.53	644.87	41.82	4,921.58	35.61	17.37	0.12	52.86	4,868.73	4,282.93
OTHER INTANGIBLE ASSETS										
Goodwill	383.03	0.11	251.89	131.25	-	-	-	-	131.25	383.03
Computer Software	116.21	70.41	-	186.62	57.90	27.17	-	85.07	101.55	58.31
Minig Rights & Development	308.42	-	-	308.42	37.20	18.60	-	55.80	252.62	271.22
Rights to use land	3,239.05	-	-	3,239.05	149.86	82.15	(11.15)	243.16	2,995.89	3,089.19
Total	4,046.71	70.52	251.89	3,865.34	244.96	127.92	(11.15)	384.03	3,481.31	3,801.75

3 NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
(a) Investment in Joint Ventures and Associates		
Using equity method	2,990.62	2,859.64
(b) Carried at FVTOCI		
Investments in other companies in Unquoted Equity Instruments	1,684.56	2,578.50
(c) Carried at FVTPL		
Investment in Mutual Fund	16.40	40.92
1,49,990 units (P.Y.3,99,980 units) of KBC Mutual Fund		
	4,691.58	5,479.06

4 NON CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(a) Security Deposits		
Unsecured, considered good	2,058.79	2,151.10
(b) Other loans and advances		
Unsecured, considered good		
Other advances	855.89	857.20
	2,914.68	3,008.30



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

5 OTHER NON CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
(a) Capital Advances		
Unsecured, considered good	2,650.04	4,917.17
(b) Advances other than capital advances		
Unsecured, considered good		
(i) Security Deposits	13.89	314.67
Unsecured, considered good		
(ii) Other loans and advances	1,290.22	704.27
Prepaid expenses	1,157.11	1,164.22
	5,111.26	7,100.33

6 INVENTORIES (valued at lower of cost and net realisable value)

	As at 31st March, 2019	As at 31st March, 2018
(a) Raw Material	21,219.63	22,652.83
(b) Finished / semi finished goods	19,371.84	14,818.84
(c) Stock-in-Trade	4.13	719.48
(d) Stores and spares	3,353.54	2,525.24
(e) Material in Transit	–	409.23
	43,949.14	41,125.62

7 CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
Carried at FVTPL		
(i) Investments in Equity Instruments in other Companies (quoted)	5,542.50	7,284.25
(ii) Investment held for trading	11,358.58	11,307.98
	16,601.08	18,592.23

8 CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES

	As at 31st March, 2019	As at 31st March, 2018
Trade receivables considered good - Secured	1,369.12	4,075.06
Trade receivables considered good - Unsecured	7,825.93	9,048.63
Trade receivables which have significant increase in Credit Risk	316.71	252.41
Trade receivable - credit impaired	14.86	36.00
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(270.92)	(288.42)
	9,255.70	13,123.68

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

9 CURRENT ASSETS - FINANCIAL ASSETS - BANK, CASH & CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Balances with banks		
In current accounts	1,173.36	1,056.97
FDR with Bank (Bank Deposits with original maturity up to 3 months)	2,442.14	1,013.02
Liquid Mutual Fund Investment	700.59	4,661.74
Cash on hand	33.29	32.12
	4,349.38	6,763.85

10 CURRENT ASSETS - FINANCIAL ASSETS - OTHER BANK BALANCES

	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend	149.58	61.59
	149.58	61.59

11 CURRENT ASSETS - FINANCIAL ASSETS - LOANS

	As at 31st March, 2019	As at 31st March, 2018
(a) Loans and advances to related parties		
Considered good - Unsecured	17,506.92	8,939.43
(b) Other loans		
Unsecured, considered good		
(i) Earnest money deposit	197.62	510.96
(ii) Loans to employees	23.89	23.57
(iii) Loans and advances to other parties	11,076.79	10,576.69
(iv) Claims & recoverables	2,448.86	921.20
	31,254.08	20,971.85

12 OTHER CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Advances other than capital advances		
(a) Other Advances		
Unsecured, considered good		
(i) Employee Advance	3.61	4.52
(ii) Advances to vendors	6,054.54	7,895.14
(iii) Advance royalty paid	341.44	38.54
(iv) Prepaid expenses	375.58	300.88
(v) Balances with tax authorities	1,800.64	1,368.87
(vi) Others	14.11	1,190.49
	8,589.92	10,798.44



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

13 EQUITY SHARE CAPITAL

	As at 31st March, 2019		As at 31st March, 2018	
	No.	₹ in lakh	No.	₹ in lakh
A Authorized				
Equity Shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 10/- each	3,60,49,235	3,604.92	3,60,49,235	3,604.92
	3,60,49,235	3,604.92	3,60,49,235	3,604.92

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, 2019		As at 31st March, 2018	
	No.	₹ in lakh	No.	₹ in lakh
Number of shares outstanding at the beginning of the period	3,60,49,235	3,604.92	3,60,30,398	3,603.04
Add: Increased during the year	-	-	18,837	1.88
Less: Decreased during the year	-	-	-	-
Number of shares outstanding at the end of the period	3,60,49,235	3,604.92	3,60,49,235	3,604.92

C Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sales proceeds of the remaining assets of the Company after distribution of all the preferential amounts. The distribution shall be in proportion to the number of equity shares held by the shareholders.

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

Name of the shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	%	Number of shares	%
Chhatisgarh Investments Limited	1,38,78,760	38.50%	1,37,88,760	38.25%
Sarda Agriculture & Properties Private Limited	26,35,150	7.31%	26,35,150	7.31%

14 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

	Non-Current portion		Current Maturities	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
	₹	₹	₹	₹
Term loans (Secured)				
from banks				
Indian Rupee Loan	56,228.81	61,411.72	6,354.36	7,558.62
from other parties				
Indian rupee loan from Financial institutions	50,151.50	36,873.78	-	-
Hire purchase loans	23.33	34.75	11.42	-
	1,06,403.64	98,320.25	6,365.78	7,558.62

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

15 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Security Deposit Received		
Deposits from Vendors	1,171.56	1,269.48
Other payables	257.82	252.00
	1,429.38	1,521.48

16 DEFERRED TAX LIABILITIES (NET)

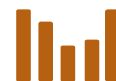
	As at 31st March, 2019	As at 31st March, 2018
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Deferred tax liability / (assets) at the beginning of the year	6,808.84	5,567.21
Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation	600.38	293.86
Deferred Tax MAT Credit	(306.63)	947.82
DEFERRED TAX LIABILITIES / ASSETS at the end of the year	7,102.64	6,808.89

17 PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
(a) Provision for employee benefits		
Provision for Leave encashment	486.99	395.38
(b) Others		
Statutory liabilities	9.81	6.78
Site restoration expenses	374.00	374.00
	870.80	776.16

18 CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2019	As at 31st March, 2018
Secured		
<u>From Banks (Secured)</u>		
Short term loans	1,683.98	818.82
Working capital loans (repayable on demand)	16,898.76	8,730.91
Working capital Buyers Credit loans	2,879.55	18,848.99
	21,462.29	28,398.72
<u>From Banks and Financial Institutions (Unsecured)</u>		
From banks	2,000.00	2,273.13
From Others	3,300.00	2,000.00
Other loans and advances		
Loans from Other Parties	—	0.50
	5,300.00	4,273.63
	26,762.29	32,672.35



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

19 CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
(a) Current maturities of long term debt	6,365.78	7,558.62
(b) Interest accrued but not due on borrowings	1,647.20	1,493.21
(c) Deposits from customers	410.22	454.41
(d) Expenses payable	4,771.84	2,197.62
(e) Salary & reimbursements	1,526.49	1,211.34
(f) Bill discounting (backed by LCs)	703.91	2,517.16
(g) INR payable to bank in forex account-on Financial Instruments at FVTPL-Level 1	–	2.55
(h) Unpaid Dividends	149.58	61.59
(i) Others	116.85	731.24
	15,691.87	16,227.74

20 OTHER CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
(a) Others -		
Indirect taxes payable	1,125.63	531.37
Others	16.52	70.32
(b) Deposit from Employees	125.39	91.76
(c) Advances from customers	695.10	1,960.54
(d) TDS payables	165.26	179.21
(e) Open access UI charges payable	24.10	56.27
(f) Other expenses payable	25.75	–
	2,177.75	2,889.47

21 PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Provision for employee benefits		
(a) Provision for gratuity	236.27	193.98
(b) Provision for Leave	39.18	36.84
Provision for expenses	540.50	849.01
	815.95	1,079.83

22 REVENUE FROM OPERATIONS

	2018-19	2017-18
Sale of products		
Sponge Iron	28,475.90	26,082.96
Ferro Alloys	94,321.20	1,05,324.98
Steel Billets	11,053.08	5,596.84
Wire Rod / HB Wire	45,314.17	38,191.46
Pellet	28,721.68	20,830.09
Power	11,726.93	9,035.37
Others	9,742.04	14,438.47
Other operating revenues	3,033.96	2,158.74
Revenue from Operations (Gross)	2,32,388.96	2,21,658.91

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

23 OTHER INCOME

	2018-19	2017-18
Interest Income	3,231.74	2,290.51
Dividend Income		
From Others	127.80	278.59
Net gain on sale of investments	343.00	222.86
Fair value gain on Financial Instruments at FVTPL	(2,460.16)	1,339.05
Other non-operating income (net of expenses directly attributable to such income)	442.61	2,902.20
	1,684.99	7,033.21

24 COST OF RAW MATERIAL CONSUMED

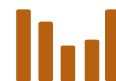
	2018-19	2017-18
Iron Ore	29,643.05	18,787.66
Mn Ore	33,588.95	40,903.89
Coal	59,329.16	56,414.56
Scrap	6,813.28	5,100.92
Other Material	13,686.96	10,302.23
	1,43,061.40	1,31,509.26

25 CHANGES IN INVENTORIES OF FINISHED GOODS, SEMI-FINISHED GOODS AND STOCK-IN-TRADE

	2018-19	2017-18
Inventories at the end of the year		
Finished Goods / Semi-finished goods	19,371.84	14,818.84
Trading Goods	4.12	719.48
	19,375.96	15,538.32
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	14,818.84	16,145.23
Trading Goods	719.48	–
	15,538.32	16,145.23
Increase/(Decrease) in Inventories	3,837.64	(606.91)

26 EMPLOYEE BENEFIT EXPENSE

	2018-19	2017-18
Salaries, incentives & Managerial Remuneration	7,949.03	7,001.51
Contributions to -		
Provident fund	381.97	351.52
Superannuation scheme	18.30	17.24
Gratuity fund	169.59	148.19
Staff welfare expenses	216.19	193.53
	8,735.08	7,711.99



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

27 FINANCE COSTS

	2018-19	2017-18
Interest expense	8,530.16	8,256.54
Other borrowing costs	992.70	1,319.64
Amortization of ancillary borrowing cost	77.50	
Exchange difference to the extent considered as an adjustment to borrowing costs	295.26	92.02
	9,895.62	9,668.20

28 OTHER EXPENSES

	2018-19	2017-18
Stores & Spares Consumption	7,076.09	5,895.50
Power	814.60	1,195.53
Manufacturing Expenses-		
Plant process & services	2,327.45	2,201.47
Material handling Expenses	3,590.01	2,852.29
Other Manufacturing Expenses	31.36	49.42
Increase/ (Decrease) of excise duty on inventory	—	(1,166.03)
Repairs & Maintenance		
Building	376.32	163.37
Plant & Machinery	1,063.22	1,037.84
Others	793.87	488.38
Rent	235.37	261.06
Rates & Taxes	1,588.99	1,700.51
Insurance Charges	356.55	374.07
Miscellaneous Expenses		
Travelling & Conveyance Expenses	622.87	619.80
Legal & Professional Expenses	1,294.87	895.52
Administrative Expenses	1,124.24	677.49
Other Expenses	499.40	1,098.44
Selling Expenses		
Carriage Outward	2,606.10	2,369.00
Selling Commission & Brokerage	415.88	435.26
Other Selling Expenses	213.08	710.93
Exchange differences (net)	1,031.56	(185.73)
Payment to Auditors	47.40	43.12
	26,109.23	21,717.24

29 PARTICULARS

	2018-19	2017-18
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(52.15)	28.56
Income Tax relating to items that will not be reclassified to profit or loss	28.61	(38.13)
(ii) Items that will be reclassified to profit or loss		
Fair value of investment	(941.76)	(733.21)
Share of other comprehensive income in associates & joint ventures to the extent to the classified into profit or loss	(38.40)	69.82
Income Tax relating to items that will not be reclassified to profit or loss	241.69	285.74
Total Other Comprehensive Income	(762.01)	(387.22)

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

30 EARNINGS PER SHARE (EPS)

	2018-19	2017-18
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Lakh)	20,317.70	20,249.19
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	360.49	360.49
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	360.49	360.49
Basic	56.36	56.01
Diluted	56.36	56.01

31 SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As part of secondary reporting, the Company has no geographical segment by location.

A) Business Segment Primary

(₹ in Lakh)

	2018-19				2017-18			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,14,796.32	1,04,980.33	11,830.55	2,31,607.20	92,337.28	92,656.84	35,706.97	2,20,701.09
Inter segment sales		1,225.92	35,652.61	36,878.53		1,086.70	30,927.29	32,013.99
Others Unallocated				781.76				957.82
Less: Inter segment sales		1,225.92	35,652.61	36,878.53		1,086.70	30,927.29	32,013.99
Total Revenue	1,14,796.32	1,04,980.33	11,830.55	2,32,388.96	92,337.28	92,656.84	35,706.97	2,21,658.91
Result								
Segment Result	34,976.18	11,692.41	2,432.21	49,100.80	23,369.06	15,251.35	307.31	38,927.72
Unallocated Expenses net off unallocated income				(5,803.50)				(434.95)
Operating Profit				43,297.30				38,492.77
Interest & Forex Fluctuation Loss (Net)				(10,928.28)				(9,063.97)
Profit Before Tax & Extraordinary Item				32,369.02				29,428.80
<u>Provision for taxation</u>								
For Current Year				(11,069.45)				(7,250.13)
For Deferred Taxation				(580.63)				(1,701.55)
Profit After Taxation				20,718.94				20,477.12
Other Information								
Segment Assets	70,265.68	52,166.58	1,12,499.92	2,34,932.18	65,685.75	58,687.89	1,02,620.07	2,26,993.71
Unallocated Assets				1,31,615.45				1,14,267.60
Total Assets				3,66,547.63				3,41,261.31
Segment Liabilities	14,530.15	7,202.22	94,113.81	1,15,846.18	12,126.84	13,532.26	53,269.87	78,928.97
Unallocated Liabilities				64,744.72				95,837.95
Total Liabilities				1,80,590.90				1,74,766.92
Capital Expenditure	2,261.73	1,377.87	28,431.30	32,070.90	2,641.83	283.69	20,553.04	23,478.56
Unallocated Capital Expenditure				20.79				(143.35)
Depreciation / Amortization	2,764.46	1,211.75	2,791.54	6,767.75	3,234.44	1,232.38	2,213.62	6,680.44
Unallocated Depreciation				879.44				637.47



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

32 INTEREST IN SUBSIDIARIES

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

Name of Subsidiaries	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2019	2018
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	Dubai	100.00	–
Sarda Metals and Alloys Limited	India	100.00	100.00
Sarda Energy Limited	India	100.00	100.00
Chhattisgarh Hydro Power LLP	India	60.00	60.00
Parvatiya Power Limited	India	51.00	51.00
Madhya Bharat Power Corporation Limited	India	79.68	77.96
Shri Ram Electricity LLP	India	51.00	51.00
Sarda Hydro Power LLP	India	60.00	60.00
Raipur Fabritech Private Limited*	India	–	52.38
Raipur Industrial Gases Private Limited*	India	–	51.00
Natural Resources Energy Private Limited	India	100.00	100.00

* under strike off.

33 (A) INTEREST IN JOINT VENTURES

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

Name of the Company	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2019	2018
Raipur Infrastructure Company Limited	India	33.33%	33.33%
Madanpur South Coal Company Limited	India	20.13%	20.13%

33 (B) INTEREST IN ASSOCIATES OF SUBSIDIARY COMPANY

The financial statements of the following Associate has been considered in consolidation:

Name of the Company	Country of Origin	Proportion of ownership interest As at 31st March (%)	
		2019	2018
PT. Tigadaya Minergy	Indonesia	49.00%	49.00%

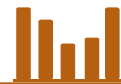
Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

34 RELATED PARTY DISCLOSURE

a) Names of related parties and description of relationship

S.No.	Relationship	Name of Related Parties
1.	Related Enterprises where significant influence exist	Chhatisgarh Investments Limited Geschaft Formulae India Private Limited (Formerly known as Sarda Solution and Technologies Private Limited) Goldenlife Financial Services Private Limited Rishabh Mining & Transport Company Private Limited Sarda Dairy & Food Products Limited Jai Balaji Enterprises Vikas Associates Kashmirilal Constructions Private Limited Apex Equipment Private Limited R. R. Sarda & Co Chhattisgarh Metaliks & Alloys Private Limited Earth Stahl Alloys Private Limited
2.	Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mrs. Uma Sarda Mr. Padam Kumar Jain Mr. Prabhakar Ram Tripathi Mr. Gajinder Singh Sahni Mr. Jitender Balakrishnan Mr. C.K. Lakshminarayanan Mr. Asit Kumar Basu Mr. Rakesh Mehra Mr. Manish Sethi Mr. Kashmirilal Agarwal Mr. Manish Sarda Mr. Neeraj Sarda Mrs. Sonal Sarda Mr. Gaurav Thakkar Mr. P. S. Duttagupta Ms. Shilpa Rathod Mr. Gaurishankar Patra (POWER FIN. COP. LTD) Mrs. Vipula Sarda Mr. Praharsh Agarwal Mr. Sanjay Sabat Mr. Dinesh Kumar Lahoti Mr. Martin Victor ALVA
3.	Relatives of KMP's	Mrs. Veena Sarda Mr. Mahesh Kumar Khator Mr. Satya Narayan Khator Mr. Anant Sarda Miss. Niharika Jain Mr. Vikas Agarwal



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

b) Material Transactions with Related Parties

	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	1,161.04	17.79
	-	(942.98)	(7.84)
Rent Paid	148.27	-	2.48
	(165.83)	-	(2.40)
Loans Granted	24,840.50	-	-
	(26,959.80)	-	-
Loans Received Back	15,166.67	-	-
	(27,874.96)	-	-
Loans Taken	-	-	-
	(0.62)	-	-
Loans Repaid	-	-	-
	(450.12)	-	-
Interest Paid	0.12	-	1.44
	(41.77)	-	(1.44)
Interest Received	1,523.01	-	-
	(391.13)	-	-
Sale of Goods	192.88	-	-
	(1,172.24)	(1.33)	-
Purchase of Goods	1,994.82	-	-
	(1,211.56)	-	-
Services Received	275.44	-	-
	(199.36)	-	-
Commission Paid	-	-	14.08
	-	-	(8.30)
Investment made	47.83	-	-
	(1,865.00)	-	-
Outstanding as on 31st March			
Receivables	53.76	0.61	-
	(401.44)	(3.61)	(0.09)
Loans Receivable	18,126.61	-	-
	(7,082.07)	-	-
Loans Payable	-	-	-
	-	(1.50)	-
Payables	166.58	464.31	23.02
	(157.38)	(312.56)	(20.59)

35 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account for the Group, net of advance given and not provided for as at 31st March, 2019 is ₹ 14,862.98 lakh (31st March, 2018: ₹ 22,638.29 lakh).
- Parent Company has commitments of AED 8,00,000 (equivalent to INR 150.96 lakh) as at 31st March, 2019 (31st March, 2018: ₹ 36.40 lakh) towards equity contribution in wholly owned subsidiary, Ms Sarda Global Trading DMCC and ₹ NIL as at 31st March, 2019 (31st March, 2018: ₹ 1,092.73 lakh) in Madhya Bharat Power Corporation Limited.

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

36 INCOME TAX EXPENSE

i) Income tax recognized in profit or loss

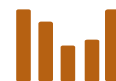
	31st March, 2019	31st March, 2018
a) Current tax expense		
Current year	11,303.72	7,293.42
Adjustment for prior periods	(234.27)	(43.29)
	-	-
Deferred tax expense		
Origination and reversal of temporary differences	580.63	1,701.55
Total income tax expense	11,650.08	8,951.68

ii) Income tax recognized in OCI

	31st March, 2019	31st March, 2018
That will not be reclassified to profit or loss	28.61	(38.13)
That will be reclassified to profit or loss	241.69	285.74
Total income tax expense relating to OCI items	270.30	247.61

b) Reconciliation of tax expense and accounting profit

	31st March, 2019	31st March, 2018
Accounting profit before tax from continuing operations	32,369.02	26,873.01
Accounting profit before tax	32,369.02	26,873.01
Expected Tax Rate	34.94%	34.61%
Tax using the Company's domestic tax rate (Current year 34.94% and Previous Year 34.61%)	11,311.03	9,300.21
Adjustments in respect of current income tax of previous years	(234.27)	(43.29)
Exceptional item not considered for tax purpose	166.68	126.08
Expense Allowable for tax purpose	(3,374.56)	(2,748.52)
Expense not allowed for tax purpose	2,717.07	1,756.76
Deduction under Chapter VIA	232.01	(757.66)
Income not considered for tax purpose other than PGBP	2.03	13.40
Effect of different overseas rates	251.65	493.90
Income Taxable at special rate of tax	1.35	133.63
Mat Credit used	(3.54)	(1,024.38)
Other temporary differences	580.63	1,701.55
Effective income tax rate	35.99%	33.31%
Income tax reported in the statement of profit and loss	11,650.08	8,951.68
	11,650.08	8,951.68



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

c) Reconciliation of deferred tax assets/ Liabilities

Deferred tax relates to the following:

	31st March, 2019	31st March, 2018
Opening balance as at 1st April	6,808.89	5,567.21
Accelerated depreciation for tax purposes	1,630.16	1,218.53
Expenses allowed on payment basis	(17.23)	(9.31)
DTA impact on Indexation of land	(56.69)	(14.64)
DTA impact on net movement, Valuation & others	(955.85)	(900.72)
MAT Credit Adjusted	(306.63)	947.82
Closing balance as at 31st March	7,102.65	6,808.89

37 CONTINGENT LIABILITIES

	Year ended 31st March, 2019	Year ended 31st March, 2018
Guarantees given by group's bankers	4,036.32	5,501.93
Guarantees given to DGFT on behalf of wholly owned subsidiary for meeting export obligation	98.88	98.88
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	151.12	221.33
Bills discounted with the group's bankers under Letters of Credit	703.91	1,972.13
Claims against the group not acknowledged as debt & disputed in appeals	6,805.20	5,099.01
Excise Duty & Service Tax Demand	1,644.90	1,720.63
VAT, CST & Entry Tax	1,085.46	724.42
Income Tax	176.59	174.08
Electricity Duty	883.73	776.94
Energy Development Cess	6,079.20	5,543.80
	21,665.31	21,833.15

i) Guarantee given to Director General of Foreign Trade ₹ 98.88 lakh (P.Y. ₹98.88 lakh) and Assistant Commissioner of Customs ₹ 151.12 Lakh (P.Y. ₹ 221.33 Lakh) on behalf of Sarda Metal & Alloys Limited, wholly owned subsidiary of the Company for fulfillment of Export Obligation against import of capital goods under Export Promotion Capital Goods Scheme.

ii) Claim against the group not acknowledged as debt comprises of:

- Suspension and damages claimed from Madhya Bharat Power Corporation Limited by erstwhile Electro Mechanical Contractor M/s. Voith Hydro Private Limited which is presently under arbitration and idle time claimed by main Civil Contractor M/s. SEW Infrastructures Limited which is presently under litigation in High Court amounting to ₹ 5,739.21 Lakh (P.Y. ₹ 3,986.87 Lakh) as on the Balance Sheet date. However, the Company has given advance to the M/s. Voith Hydro Private Limited which has been reduced from the gross claim amount in pursuance of Contractual terms and the Company is contesting the demand by counter claim on M/s. SEW Infrastructures Limited for breach of settlement agreement.
- Commercial Tax demand from Sarda Metals & Alloys Limited for ₹ 423.61 Lakh (PY ₹423.61 Lakh) on account of disallowance of Input Tax credit of ₹ 338.88 Lakh on equipments of Power Plant and Penalty of ₹ 84.72 Lakh. 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.
- Besides this disputed claims of ₹ 642.39 Lakh (P.Y. ₹ 688.54 Lakh) are pending in various courts of law.

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019 (₹ in Lakh)

iii) Excise Duty & Service Tax

- Excise duty demand of ₹ 21.62 lakh (P.Y. ₹ 20.57 Lakh) raised on account of Cenvat credit availed, which the Company has disputed in High Court, Jabalpur (MP).
- ₹NIL (P.Y. ₹6.97 Lakh) on account of duty on VAT Collected by the Company against which the Company has filed an appeal before the High Court, Bilaspur (CG).
- Excise Duty demand of ₹ NIL (P.Y. ₹ 54.78 Lakh) raised on account of Cenvat credit availed which the Company has disputed and has filed appeal before the Central Excise & Service Tax Appellate Tribunal (CESTAT).
- Excise Duty demand of ₹ NIL (P.Y. ₹ 13.99 lakh) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- Excise Duty demand of ₹ 7.62 Lakh (P.Y. ₹ 7.62 lakh) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
- Service Tax demand of ₹ 1,616.70 lakh (P.Y. ₹ 1,616.70) 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).

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

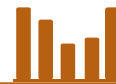
Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 1,085.46 Lakh (P.Y. ₹ 724.42 Lakh) are pending in appeal against assessment of various years.

v) Income Tax

- 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 ₹ 86.57 lakh on account of disallowance of expenditure and addition of Forex gain. For Assessment year 2015-16 addition of ₹ 796.95 Lakh has been made on account of discrepancies in stocks and demand has been raised for ₹ 87.51 Lakh after adjustment of advance tax. The Company has filed appeals with Commissioner Appeals for both the assessment years which is pending.
 - During the financial year 2018-19, income tax department raised demand of ₹ 2.50 Lakh u/s 143(3) (i.e. Scrutiny Assessment for the AY 2016-17) on account of additions made of ₹ 9.26 Lakh towards disallowance of expenditure. The Company has already filed rectification application under section 154 of the IT Act.
- vi) Electricity Duty ₹ 883.73 Lakh (P.Y. ₹ 776.94 Lakh) 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.
- vii) Energy Development Cess of ₹ 6,079.20 lakh (P.Y. ₹ 5,543.80 lakh) net of amount deposited ₹ 294.34 lakh (P.Y. ₹ 294.34 Lakh) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to January 2017. 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.
- viii) Bank Guarantee of ₹ 500.00 lakh (P.Y. ₹ 500.00 lakh) given as security deposit against contract for disposal of old power project awarded to the Company was invoked by Ms/. West Bengal Power Development Corporation Limited. The Company has challenged the wrongful invocation in the High court of Kolkata. WBPDCL has on the orders of the Hon'ble High Court deposited the amount of bank guarantee with the Court. The Company has been legally advised that it has a strong case in its favour, hence no liability provided.

38 CONTINGENT ASSETS

- Group has various pending insurance claims in lieu of machine break down adding up to ₹ 190.16 lakh as on 31st March, 2019.
- Consequent to the deallocation of the coal block Gare Palma IV/7, the Company had filed a writ petition before the Hon'ble High Court of Delhi challenging the compensation amount and exclusion of washery from the mine



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

infrastructure. Following the order of Hon'ble High Court of Delhi dated 09.03.2017, Ministry of Coal, Govt. of India had asked for resubmitting the compensation claim. Accordingly the Company has resubmitted compensation claim of ₹ 17,651.85 lakh. This includes compensation of ₹ 2,641.44 lakh already received by the Company in FY 2016-17. This matter is still pending with Ministry of Coal, Govt. of India.

- iii) Group has filed counter claims on the former E&M contractor and former civil contractor, for refund of advance and milestone payments of ₹ 2,200 and ₹ 1,354.48 lakh respectively, made to them due to non-performance of the contract Arbitration case in on-going with the civil contractor. The amount claimed from civil contractor is excluding interest @8% claimed from 11.12.2013 till the date of payment.

39 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's principal financial liabilities comprise of loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group companies also enter into derivative contracts.

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Market Risk-

- Interest rate risk
- Currency risk
- Price risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

CREDIT RISK

The Group is exposed to credit risk as a result of the risk of counterparties' non performance or default on their obligations. The Group's exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with accounts receivable is primarily related to party not able to settle their obligation as agreed. To manage this the Group periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables.

Trade receivables

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

Loans and Advances

Financial assets in the form of loans and advances are written off when there is no reasonable expectations of recovery. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Group measures the expected credit loss of dues based on historical trend, industry practices and the business environment in which the 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.

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Lakh)

	31st March, 2019	31st March, 2018
Trade and other receivables	9,256	13,124
Loans and advances	34,169	23,980
Bank, cash and cash equivalents	4,349	6,764

Impairment losses

	31st March, 2019	31st March, 2018
Trade and other receivables (measured under life time expected credit loss model)		
Opening balance	288	309
Provided during the year	(18)	(21)
Reversal of provision	-	-
Unwinding of discount	-	-
Closing balance	270	288

Ageing analysis*

	31st March, 2019	31st March, 2018
Upto 3 months	8,634	10,902
3-6 months	386	119
More than 6 months	507	2,391
	9,527	13,412

*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.

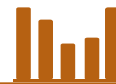
LIQUIDITY RISK

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, 2019	31st March, 2018
Term Loan - Union Bank of India (UBI)	613	1,617
Term Loan - PFC	5,186	12,341
Term Loan - PTC	1,158	6,502
Term Loan - IDBI	10,292	10,291
Cash Credit facility	6,868	4,769
Current investments	5,242	7,284



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019 (₹ in Lakh)

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, 2019	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	32,937	56,178	50,416	1,39,531
Trade payables	18,061	-	-	18,061
Security deposits	415	1,214	210	1,839
Other financial liabilities	8,916	-	-	8,916
	60,329	57,392	50,626	1,68,347

As at 31st March, 2018	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	41,142	52,912	44,497	1,38,551
Trade payables	13,079	-	-	13,079
Security deposits	454	1,521	-	1,975
Other financial liabilities	8,215	-	-	8,215
	62,890	54,433	44,497	1,61,820

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, 2019	31st March, 2018
Variable rate borrowings	1,29,108	1,09,200
Fixed rate borrowings	10,422	29,351

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	
	2018-19	2017-18
Interest rates - increase by 70 basis points	(896)	(604)
Interest rates - decrease by 70 basis points	896	604

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.

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

Currency in Lakh

Particulars	Currency	2018-19	2017-18
Bank Loans	USD	(43.73)	(20.07)
Trade & Other Payables	EURO	(52.08)	(74.11)
Trade & Other Payables	USD	(230.80)	(498.06)
Trade & Other Payables	AED	(0.48)	-
Investment held for Trading	USD	163.52	173.52
	AED	2.97	-
Investment in associate	USD	32.23	31.25
Trade & Other Receivables	USD	128.45	141.28
	AED	0.46	-
Cash & Cash Equivalents	USD	8.28	6.19
	AED	0.66	-
Forward Contract to Sell/Receivable	USD	9.07	13.00

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

	Impact on profit after tax	
	2018-19	2017-18
Foreign exchange rates - increase by 1%	6.58	(159.52)
Foreign exchange rates - decrease by 1%	(6.58)	159.52

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 ₹ 345.21 lakh (2017-18: ₹ 465.90 lakh); 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 ₹ 33.69 lakh (2017-18: ₹ 51.57 lakh); an equal change in the opposite direction would have decreased profit and loss.

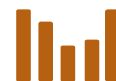
40 CAPITAL MANAGEMENT

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.



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

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 Lakh)

	31st March, 2019	31st March, 2018
Total liabilities	1,12,769.42	1,05,878.88
Less : Cash and cash equivalent	4,349.38	6,763.85
Net debt	1,08,420.04	99,115.03
Total equity	1,85,956.73	1,66,494.39
Net debt to equity ratio	0.58	0.60

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

41 FINANCIAL INSTRUMENTS

A. Accounting classification and fair values

31st March, 2019	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amotized Cost*		Level 1	Level 2	Level 3	
Financial assets								
Bank, cash and cash equivalents	-	-	4,498.96	4,498.96				-
Non-current investments	-			-				-
Unquoted Equity Investments		1,684.57	2,990.62	4,675.19		1,684.57		1,684.57
Quoted Mutual Funds	16.40			16.40	16.40			16.40
Current investments	-			-				-
Quoted Equity Investments	16,601.09			16,601.09	16,601.09			16,601.09
Financial Asset: Loans	-		34,168.75	34,168.75				-
Trade and other receivables	-		9,255.70	9,255.70				-
	16,617.49	1,684.57	50,914.03	69,216.09	16,617.49	1,684.57	-	18,302.06
Financial Liabilities								
Long term borrowings			1,06,403.64	1,06,403.64				-
Short term borrowings			26,762.29	26,762.29				-
Trade and other payables			13,079.46	13,079.46				-
Other financial liabilities	-		17,213.35	17,213.35	-			-
	-	-	1,63,458.74	1,63,458.74	-	-	-	-

31st March, 2018	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amotized Cost*		Level 1	Level 2	Level 3	
Financial assets								
Bank, Cash and cash equivalents	-		6,825.44	6,825.44				-
Non-current investments	-			-				-
Unquoted Equity Investments	-	2,578.49	2,859.65	5,438.14		2,578.49		2,578.49
Quoted Mutual Funds	40.92			40.92	40.92			40.92
Current investments	-			-				-
Quoted Equity Investments	18,551.49			18,551.49	18,551.49			18,551.49
Financial Asset: Loans	-		23,980.13	23,980.13				-
Trade and other receivables	-		13,123.68	13,123.68				-
	18,592.41	2,578.49	46,788.90	67,959.80	18,592.41	2,578.49	-	21,170.90

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

31st March, 2018	Carrying amount			Total	Fair value			Total
	FVTPL	FVTOCI	Amotized Cost*		Level 1	Level 2	Level 3	
Financial liabilities								
Long term borrowings			98,320.24	98,320.24				
Short term borrowings			32,672.36	32,672.36				
Trade and other payables			11,107.86	11,107.86				-
Other financial liabilities	2.55		17,513.03	17,515.58	2.55			2.55
	2.55	-	1,59,613.49	1,59,616.04	2.55	-	-	2.55

* The carrying value and the fair value approximates.

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.
- 4) The fair values of the unquoted equity shares designated at FVTOCI have been estimated by using the most recent purchase price of such shares. (level 2)

42 PREVIOUS YEAR FIGURES HAVE BEEN RE-CASTED / REGROUPED / RESTATED WHEREVER NECESSARY TO MAKE THEM COMPARABLE.

Signatures to Notes 1 to 42

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

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

For and on Behalf of the Board

P. K. Jain

Wholtime Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary

Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019

(₹ in Lakh)

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Joint Ventures.

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit and Loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Srada Energy & minerals Limited	59.02	1,56,565.42	91.27	18,903.84	(1.58)	12.06	94.81	18,915.90
Subsidiary								
Indian								
SMAL - Sarda Metals & Alloys Limited	9.08	24,083.94	2.85	590.47	(0.27)	2.07	2.97	592.55
SEL - Sarda Energy Limited	2.75	7,290.81	0.21	42.93	-	-	0.22	42.93
CHPPL - Chhattisgarh Hydro Power LLP	3.37	8,927.78	2.90	600.43	0.02	(0.17)	3.01	600.27
MBPCL - Madhya Bharat Power Corporation Limited	15.36	40,756.38	(2.73)	(564.57)	0.16	(1.22)	(2.84)	(565.79)
PPL - Parvatiya Power Limited	0.99	2,632.54	0.68	140.54	50.01	(381.07)	(1.21)	(240.53)
SHPPL - Sarda Hydro Power Private Limited	0.02	49.47	-	(0.20)	-	-	-	(0.20)
SRE LLP - Shri Ram Electricity LLP	0.13	337.78	0.02	4.77	-	-	0.02	4.77
NREPL - Natural Resources Energy Private Limited	(0.00)	(1.47)	-	(0.93)	-	-	-	(0.93)
Foreign								
SEMHKL - Sarda Energy & Minerals Hongkong Limited	6.13	16,249.39	3.48	720.16	-	-	3.61	720.16
SGV - Sarda Global Venture Pte. Limited	0.12	316.52	0.46	95.00	-	-	0.48	95.00
SGT-Sarda Global Trading DMCC	(0.03)	(84.38)	(0.59)	(122.51)	-	-	(0.61)	(122.51)
Joint Venture								
RICL - Raipur Infrastructure Company Limited	-	-	(0.44)	(91.44)	4.20	(32.02)	(0.62)	(123.45)
MSCCL - Madanpur South Coal Company Limited	-	-	(0.00)	(0.80)	(0.64)	(1.85)	0.02	4.07
Minority Interest in all subsidiaries	3.07	8,155.28	1.91	395.42	48.10	(366.55)	0.14	28.88
Total	100.00	2,65,279.48	100.00	20,713.12	100.00	(762.01)	100.00	19,951.12

Significant Accounting Policies and Notes

Consolidated financial statements for the year ended 31st March, 2019

(₹ in Lakh)

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 31.03.2019

S. No.	Particulars/Name of the Subsidiary Company	SEMHKL Hongkong	SGV Singapore	SGT Dubai	SMAL India	CHP LLP India	PPL India	MBPCL India	SEL India	SRE LLP India	SHP LLP India	NREPL India
1	Financial year of the Subsidiary Company/LLP ended on	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
2	Date from which it became Subsidiary Company/LLP	17th Sep. 2007	12th June, 2008	6th March, 2018	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	1st March, 2011	21st Sept. 2010	10th Feb. 2015
3	Capital	89.14	750.02	37.73	2,101.60	8,921.12	153.57	18,104.00	71.63	352.60	50.82	1.00
4	Reserves & Surplus	16,160.26	(433.51)	(122.11)	21,982.34	6.67	2,478.97	22,652.38	7,219.18	(14.82)	(1.35)	(2.47)
5	Total Assets	18,765.14	2,291.76	77.19	76,708.71	22,745.46	3,890.05	1,08,464.36	7,300.74	401.99	49.54	1.66
6	Total Liabilities	16,249.39	316.52	(84.38)	24,083.94	8,927.78	2,632.54	40,756.38	7,290.81	337.78	49.47	(1.47)
7	Investments	11,302.63	-	55.95	0.28	-	1,543.23	-	5,000.00	-	-	-
8	Turnover	782.76	32.36	0.94	71,489.68	3,749.96	752.56	-	117.09	10.16	0.30	-
9	Profit before Taxation	720.16	8.82	(122.51)	1,006.42	1,560.82	294.44	(707.89)	50.98	9.36	(0.33)	(0.10)
10	Provision for Taxation	-	0.25	-	415.94	560.10	18.87	0.65	8.04	-	-	1.19
11	Profit After Taxation	720.16	95.00	(122.51)	590.47	1,000.72	275.57	(708.54)	42.93	9.36	(0.33)	(1.29)
12	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
13	% of Shareholding	100.00%	100.00%	100.00%	100.00%	60.00%	51.00%	79.36%	100.00%	51.00%	60.00%	100.00%
14	Whether commenced operation	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2019, i.e. 1US\$ = ₹ 69.12 [SGV and SEMHKL] and 1AED = ₹ 18.86 [SGT]

Notes :

- 1 SEMHKL - 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 CHP LLP - Chhattisgarh Hydro Power LLP
- 6 PPL - Parvatiya Power Limited
- 7 MBPCL - Madhya Bharat Power Corporation Limited
- 8 SEL - Sarda Energy Limited
- 9 SRE LLP - Shri Ram Electricity LLP
- 10 SHP LLP- Sarda Hydro Power LLP
- 11 NREPL- Natural Resources Energy Private Limited



Significant Accounting Policies and Notes

Consolidated to financial statements for the year ended 31st March, 2019 (₹ in Lakh)

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 31.03.2019

S.No.	Particulars/Name of the Joint Ventures	RICL India	MSCCL India
1	Financial year of the Subsidiary Company/LLP ended on	31st March, 2019	31st March, 2019
2	Share of Joint Ventrues held by the Company on the year end		
	No.	1,30,800	1,30,742
	Amount of Investment	622.30	140.87
	Extend of Holding %	33.33%	20.13%
3	Networth	1,867.09	699.81
4	Profit/(Loss) for the year		
	i. Considered in Consolidation	(123.45)	4.07
	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

25th May, 2019

K. K. Sarda

Chairman & Managing Director

DIN: 00008170

Raipur

25th May, 2019

P. K. Jain

Whole-time Director & CFO

DIN: 00008379

Manish Sethi

Company Secretary



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