# Energising Growth





## 52nd Annual Report

# 2024-25

**Sarda Energy & Minerals Limited**

# Find how we are energising growth

## Welcome to the Annual Report of

## Sarda Energy & Minerals Limited

Welcome to an era where vision meets execution and where decades of industrial expertise converge to build something truly extraordinary. At Sarda Energy & Minerals Limited, we've always believed that the greatest achievements begin with the courage to transform, to look beyond what is and imagine what could be. Today, as we stand at the intersection of tradition and innovation, we invite you to discover how integrated thinking, sustainable practices and bold decision-making are shaping not just our future, but contributing meaningfully to India's industrial landscape and the communities we proudly serve.

We deeply value your feedback. Please write to us at: cs@seml.co.in

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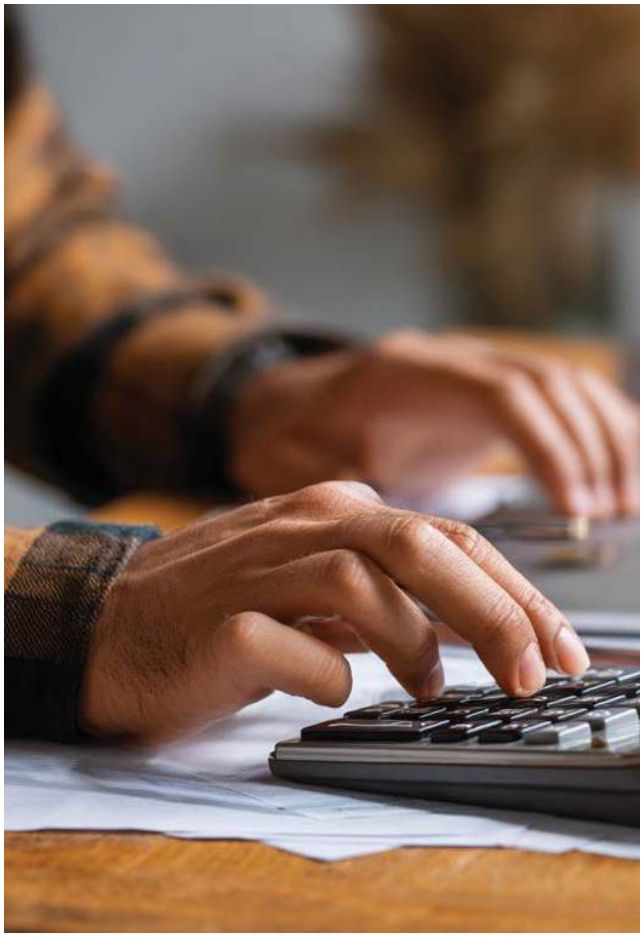


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# Find what we are covering in the reporting

## Basis of reporting

The Fifty Second (52nd) Annual Report, of Sarda Energy & Minerals Limited (also referred as 'SEML') demonstrates our continued commitment to integrated thinking and approach for the purpose of value creation.

Drawing inspiration from best-in-class integrated reporting frameworks, the report highlights how we create long-term value. As a Company, we are committed to achieving the highest governance standards essential for sustainable value creation. This is reflected in our reporting philosophy which is founded on the principles of accountability, transparency, accuracy, integrity, responsibility and compliance.

## Reporting principle

Both the financial and non-financial aspects are in accordance with the applicable laws, regulations and standards of the Republic of India.

## Boundary and scope of reporting

This report includes information about Sarda Energy & Minerals Limited's manufacturing facilities, products and operations. It covers disclosures for the period from April 1, 2024, to March 31, 2025.

## Target audience

The target audience for this Report includes a range of stakeholders such as shareholders, investors, analysts, financial institutions, customers, employees, business partners, regulatory bodies and the public at large. These stakeholders may be interested in our Company's financial and non-financial performance, overall strategy, risks, opportunities and outlook. They also seek transparency, accountability and assurance that our Company is operating in an ethical and sustainable manner. As such, the annual report provides relevant and reliable information to cater to the diverse needs of the target audience.

## Forward-looking statements

Certain statements in this Report regarding Sarda Energy & Minerals Limited's business operations may constitute forward-looking statements. While these statements reflect the Company's future expectations, it is important to remain mindful that a number of risks, uncertainties and other important factors could cause actual results to differ materially.

## Assurance

The report covers financial and non-financial information and the respective activities of the Company. The financial information constituting the consolidated and standalone financial statements have been audited by M/s. Singhi & Co., (Statutory Auditors). M/s. S. G. Kankani & Associates (Secretarial Auditor) and M/s. S. N. & Co. (Cost Auditor) have diligently conducted respective audits to help our investors get the assurance of our organization's reporting from an objective and independent opinion.

## Leadership Accountability

The content of this Report has been reviewed by the senior management of our Company, under the supervision of the Board of Directors. The Board members have provided essential governance oversight throughout the process.

## Our stakeholders

## Our capitals

Manufacturing capital

Intellectual capital

Financial capital

Stakeholders' capital

Human capital

Natural capital

## Our businesses

Thermal Power

Hydro Energy

Coal

Ferro Alloys

Sponge Iron

Billet

Wire Rod

HB Wire

ECO Bricks & Others

# Responsible growth during FY 24-25

## Operational prowess

**1.68 MnT**

Coal production

**8.19 Lakh MT**

Pellet production

**3,482 MU**

Thermal Power generation

**508 MU**

Hydro Power generation

**1.83 Lakh MT**

Ferro Alloys production

## Financial discipline

**₹ 4,643 Crore**

Revenue

**₹ 1,410 Crore**

EBIDTA

**₹ 702 Crore**

PAT

**₹ 1,200 Crore**

Cash Profit

## Future investments

**2x300 MW**

Thermal power plant acquired through CIRP

**3 upcoming coal mines**
with aggregate capacity of

**3.8 Mn T**

**2 upcoming hydro projects**
with aggregate capacity of

**50 MW** – presently under various stages of approvals

**800 MW**

Proposed capacity addition at IPP, Binjkot, Raigarh

## Sustainable actions

**100%**

Capacity utilization of Waste Heat Captive Power Plant

**167 MW**

of Hydro Power generation capacity

**1.50 Lakh MT**

Eco Bricks manufactured utilizing plant process waste

# Every page of this report holds more than facts and figures. It holds the pulse of a journey that is shaping the future.

At Sarda Energy & Minerals Limited, growth is not a mere outcome of expansion; it is the energy we create, the innovation we nurture and the sustainable pathways we pave for tomorrow.

From the minerals we mine deep beneath the earth to the metals we forge with precision and from the hydro projects that touch a river to the solar panels that greet the sun, every unit of power and every tonne of steel we produce reflects our belief that:

growth is most meaningful when it energises lives and strengthens the planet.

This is the essence of our journey.

## Energising Growth

is a vision to inspire change, create value and power a brighter tomorrow.

## A sneak-peek into Sarda Energy & Minerals Limited

Headed by Mr. Kamal Kishore Sarda and a team of visionary professionals, Sarda Energy & Minerals Limited (SEML) is a diversified, integrated player in resources sector, combining strong operational execution with disciplined financial management. With a robust business spanning captive mining, efficient metals manufacturing and a growing energy portfolio including thermal, hydro, solar and waste heat recovery, SEML leverages vertical integration to ensure cost efficiency and reliability. Ongoing investments in new energy assets and responsible expansion underscore a long-term vision for growth of the Company. SEML's commitment to sustainability, community development and prudent capital allocation positions the Company as a resilient, forward-looking contributor to India's industrial and energy future.

## Vision

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

## Values

Our values are reflected in:

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

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

**Integrity and ethics:** We believe in our commitments and strive to achieve high ethical standards.

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

**Corporate social responsibility:** We believe in caring for our environment and our communities for sustainable development.

# Achieving defining milestones of sustainable growth

Every remarkable journey begins with a single step, but it is perseverance that defines success. At Sarda Energy & Minerals Limited, our foundation rests on strategic foresight, operational excellence and disciplined capital allocation. We focus on efficient, responsible growth by leveraging integrated strengths across energy, mining and metal, while advancing renewable initiatives and embedding resilience and sustainability to enhance stakeholder value.

## 1979–1988

- Acquired Raipur Wires and Steel as a sick unit in 1979.
- Installed 10 MT electric arc furnace to produce ingots during 1981.
- Commissioned continuous casting machine for billets in 1984.
- Installed the first automated oxygen feeding plant in the state of Madhya Pradesh.

## 1989–1998

- Installed 25 TPD electric arc furnace in 1990.
- Acquired 3 power units in 1993-94.
- Installed two sponge iron kilns of 100 TPD each in 1993 & 1995 respectively.
- Sold two power units; installed one unit of 24MW for captive purpose.

## 1999–2008

- Installed and commenced operations of 24 MW captive power plant and ferro alloy plant in 2001.
- Commenced production in 2x6 MT induction furnaces.
- Commenced operations of fly ash brick plant.
- Acquired iron ore mine; commenced iron ore extraction
- Augmented sponge iron capacity through another 500 MTPD kiln.
- Augmented steel-making capacity.
- Installed the fifth 9 MVA ferro alloys furnace.
- Achieved the coveted Star Export House status from the Government of India.
- Sarda Energy & Minerals Limited came into existence on 2nd August 2007 following the merger of Chhattisgarh Electricity Company Limited with Raipur Alloys & Steel Limited.

- Commissioned 4.8 MW Hydro power plant in FY 2008-09.
- Pellet plant commenced operations in FY 2009-10.
- Installed wire rod mill with capacity of 1,80,000 MTPA.

## 2009–2018

- Increased power generation capacity from 48 to 81.50 MW.
- Commenced 66 MVA Ferro Alloys plant & 80 MW Thermal power plant at Vizag in 2012-13.
- Commissioned 24 MW Hydro Power project in July 2017 at Chhattisgarh.

- Increased Steel billet capacity from 2,00,000 TPA to 3,00,000 TPA
- Increased pellet capacity from 6,00,000 TPA to 8,00,000 TPA in FY 2020-21.
- Commissioned 113 MW Sikkim hydro power plant in June 2021.
- Commissioned Gare Palma IV/7 coal mine with a capacity of 1.2 MMT p.a. in FY 22.
- Commenced operations of coal washery with capacity of 0.96 MMT p.a. in February 2022.
- Increased ferro alloys capacity by 36 MVA in December 22, at Vizag plant.
- Increased capacity of wire rod mill from 1,80,000 MT to 2,50,000 MT in Mar 2023.
- Expanded wire capacity from 36,000 MT to 45,000 MT in FY 2023.

## 2019–2025

- Increased coal mining capacity by 20% to 1.44 MMT p.a. in FY 24.
- Increased iron ore pellet capacity from 8,00,000 tonnes p.a. to 9,00,000 tonnes p.a. in December 2023.
- Initiated setting up manufacturing of mineral fibre from waste generation.
- Acquired SKS Power (2×300 MW thermal) under IBC and amalgamated w.e.f. September, 2024.
- Commissioned 24.9 MW hydro power at Rehar River, Chhattisgarh July 2025 .
- Increased the Gare Palma IV/7 coal mine capacity by 20% to 1.68 MMTPA -FY 25.

# Kindling progress with purpose

## Chairman's communique

*Dear Shareholders*

As I pen these words, I am reminded of an ancient truth – that energy, in all its forms, is the fundamental force that propels civilizations forward. Today, we stand at the threshold of an era where this truth has never been more relevant, and I am immensely proud to share how Sarda Energy & Minerals Limited has positioned itself as a catalyst in this transformative journey.

From our humble beginning five decades ago as a small wire manufacturing unit, we have evolved into an integrated player spanning minerals, energy, and metals. Our story is not merely one of business expansion; it is a testament to how vision, when coupled with relentless execution, can transform challenges into opportunities and dreams into realities.

As we reflect on FY25, I see before us not just impressive financial metrics or operational achievements, but the footprints of a company that has successfully navigated market uncertainties while laying the foundation for sustainable, long-term growth. Our transformation from a traditional steel company to a diversified energy and minerals company represents more than strategic evolution – it embodies our unwavering commitment to powering India's growth story.

### Economic & sector overview

The fiscal year 2024-25 presented a complex tapestry of challenges and opportunities across the Indian economy and our core sectors. While global uncertainties and supply chain disruptions tested the resilience of industries worldwide, the Indian economy demonstrated remarkable stability, growing at a robust pace. The steel and energy sectors, fundamental to

India's infrastructure development, witnessed varying dynamics – from raw material price volatilities to evolving regulatory frameworks and increasing focus on sustainability. Our diversified business model across minerals, energy, and metals proved instrumental in navigating these sectoral headwinds while capturing emerging opportunities in renewable energy and resource optimization.

## Operational excellence

FY25 will be remembered as a year of remarkable operational milestones that underscore our commitment to excellence. We achieved several historic production records – the highest ever annual coal production at 1.68 MnT from our Gare Palma mine, peak iron ore pellet production of 8.19 lakh MT, and unprecedented waste heat generation of 113.45 TPH. These achievements reflect not just our operational capabilities but our dedication to maximizing resource utilization and efficiency.

Our strategic acquisition of SKS Power, encompassing a 2x300 MW thermal power plant in Chhattisgarh, marked a transformative moment in our journey. Located strategically near our coal mine, this acquisition exemplifies our integrated approach to business development. While the initial months post-acquisition required stabilization efforts and maintenance activities that impacted plant load factors, we have since demonstrated consistent improvement, achieving the 6th position in the CEA's all-India monthly PLF rankings by April 2025.

Our hydro power portfolio continued to deliver stable performance with 142 MW of operational capacity generating steady cash flows with impressive EBITDA margins of 72%. The commissioning of our 24.9 MW Rehar hydropower plant, which commenced trial production in January 2025, further strengthens our renewable energy credentials.

## Building solid foundations

The financial year 2024-25 showcased the robustness of our diversified business model and prudent capital allocation strategies. Our consolidated revenues grew by 20% year-on-year to ₹4,643 crore, while EBITDA surged 44% to ₹1,410 crore, achieving a healthy margin of 29.3%. This performance is particularly noteworthy given the challenging market conditions and integration costs associated with our major acquisition.

Our profit after tax reached ₹702 crore, representing a 34% increase from the previous year, while cash profits soared 69% to ₹1,200 crore. These numbers reflect not just operational efficiency but our ability to generate sustainable cash flows across market cycles. The strong cash generation has enabled us to maintain a conservative capital structure while investing in growth opportunities.

Our commitment to shareholders remains unwavering, as evidenced by our consistent dividend payouts. We increased the dividend to ₹1.50 per share in FY25, maintaining our track record of progressive dividend distributions that have grown from ₹0.75 in FY21. This reflects our confidence in generating sustained cash flows and our commitment to sharing value creation with our stakeholders.

## Strategic diversification

Perhaps the most significant aspect of our journey has been our strategic evolution from a traditional steel manufacturer to an integrated energy and minerals company. This transformation was not born out of circumstance but from a deliberate vision to build a business that could thrive across economic cycles while contributing meaningfully to India's energy security.

Our diversification strategy encompasses three core pillars: minerals for resource security, energy for sustainable power generation, and metals for value-added manufacturing. This integrated approach has created substantial synergies – our coal mines feed our thermal power plants, our iron ore supports our steel operations, and our waste heat recovery systems optimize energy utilization across our facilities.

The acquisition of SKS Power has significantly altered our business mix, with energy now contributing 59% of our EBIT compared to 20% in the previous year. This shift toward non-cyclical, annuity-like revenue streams from power generation provides greater earnings stability and predictability. Our hydro power portfolio, with long-term power purchase agreements spanning 30-35 years, exemplifies this approach to building sustainable competitive advantages.

## Powering tomorrow's solutions

In an era defined by technological advancement, we have embraced innovation as a cornerstone of our operational philosophy.

Our commitment to technology adoption spans from advanced manufacturing processes to environmental sustainability initiatives. We are currently implementing several technology upgrades, including replacing older turbo generators with high-efficiency units and upgrading gas cleaning plants to minimize emissions.

Our 50 MW solar power project in Chhattisgarh represents our commitment to clean energy technologies. This initiative will replace costly grid power with renewable energy, significantly reducing our carbon footprint while improving cost competitiveness. Additionally, our mineral fiber project, which commenced production in March 2025, demonstrates our ability to extract value from industrial byproducts through innovative processing technologies.

The digitalization of our operations continues to enhance efficiency and transparency. From real-time monitoring systems in our mining operations to advanced process controls in our manufacturing facilities, technology serves as an enabler of both operational excellence and environmental stewardship.

## Environmental stewardship

Sustainability is not merely a corporate buzzword for us; it is integral to our business philosophy and operational practices. Our environmental initiatives span waste management, emission reduction, water conservation, and renewable energy adoption. We have achieved 100% waste utilization through our comprehensive waste-to-wealth programs, converting industrial byproducts into valuable resources for other industries.

Our commitment to reducing environmental impact is evident in our energy efficiency initiatives. We are replacing conventional lighting with LED systems, upgrading to energy-efficient motors, and installing screw compressors to reduce power consumption. These efforts, while individually modest, collectively contribute to significant environmental benefits and cost savings. Water stewardship remains a priority, with our zero liquid discharge systems ensuring responsible water management across our operations.

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## Human capital and community development

Our success story is fundamentally about people who form the backbone of our organization. We have invested significantly in their development, by conducting training programs for employees, covering technical skills, safety protocols, and behavioral development. Our commitment to workplace safety resulted in zero fatalities.

Our Corporate Social Responsibility initiatives reflect our deep-rooted commitment to community development. Through our healthcare, education, and livelihood programs, we have touched the lives of a large number of beneficiaries, with particular focus on vulnerable and marginalized communities. Our adoption of schools in tribal areas of Chhattisgarh exemplifies our commitment to educational equity and social inclusion.

The support to women's self-help groups, promotion of alternative livelihood opportunities, and healthcare initiatives demonstrate our holistic approach to community development. These programs not only fulfill our social obligations but create sustainable value for the communities in which we operate.

## Governance and risk management

Strong governance and effective risk management form the bedrock of our corporate culture. Our Board of Directors, with diverse expertise across industries and functions, provides strategic oversight and ensures accountability at the highest levels.

Our risk management framework addresses operational, financial, environmental, and strategic risks through systematic identification, assessment, and mitigation strategies. The whistle-blower mechanism provides multiple channels for stakeholders to raise concerns, ensuring transparency and ethical conduct across our operations.

We maintain the highest standards of compliance, with regular audits and assessments ensuring adherence to statutory

requirements and industry best practices. Our credit ratings, reaffirmed by CRISIL post the SKS acquisition, reflect the market's confidence in our governance standards and financial discipline.

## Charting the course ahead

As we look towards the future, I am filled with optimism about the opportunities that lie before us. Our strategic investments in coal mining capacity expansion, with approvals underway for increasing Gare Palma capacity will significantly enhance our resource security and cost competitiveness. The upcoming iron ore block at Surjagad-1, Maharashtra, for which we received the letter of intent, will further strengthen our minerals portfolio.

> Strong governance and effective risk management form the bedrock of our corporate culture. Our Board of Directors, with diverse expertise across industries and functions, provides strategic oversight and ensures accountability at the highest levels.

Our energy portfolio is poised for substantial growth with multiple hydropower projects under development and the imminent commissioning of our 50 MW solar plant. These additions will not only increase our renewable energy capacity but also contribute to India's clean energy transition goals.

The integration of SKS Power is progressing well, and we expect this asset to become a major contributor to our profitability from FY26 onwards. The synergies from having our coal mine feed directly into the power plant will create significant cost advantages and operational efficiencies.

As we embrace the future, we remain committed to our core values of sustainability, integrity, and stakeholder value creation. Our diversified business model, strong balance sheet, and experienced leadership team position us well to capitalize on India's growth trajectory while navigating global uncertainties.

## Gratitude and acknowledgment

As I bring this message to a close, I wish to express my sincere appreciation to all those who have walked alongside us on this journey. To our valued shareholders, your enduring trust has empowered us to think beyond the short term and build with foresight. To our employees and workforce, your resilience, innovation, and daily commitment form the bedrock of everything we have achieved. I extend my gratitude to our customers for their continued belief in our capabilities, and to our vendors and partners who have stood by us as enablers of seamless execution. Our heartfelt thanks to the communities we operate in for their goodwill, co-operation, and the shared progress we are forging together.

To our Board members, thank you for your strategic insights and unwavering commitment to transparency and ethical governance. We are equally thankful to the regulatory bodies and government agencies for fostering a policy environment that supports responsible growth. And to our banking and financial partners as your confidence has not only funded our aspirations but helped shape them into reality.

As we stand at the cusp of a new era, I am confident that Sarda Energy & Minerals Limited will continue to power India's growth story while creating sustainable value for all stakeholders. Our journey of energising growth has just begun, and the best is yet to come.

Together, we shall continue to transform potential into performance, vision into reality, and aspirations into achievements.

With warm regards and renewed commitment,

**Kamal Kishore Sarda**
Chairman

# The big picture of our business

## Indian economic review

India's economy continued its robust upward momentum in FY2024-25, recording a real GDP growth of 6.5% and nominal growth of 9.5%. The year's final quarter saw even faster acceleration at 7.4%. Despite global headwinds such as slowing demand in advanced economies and volatile commodity prices, strong domestic investment, government infrastructure push and resilient private consumption kept India the world's fastest-growing major economy.

### What it means?

- Strong GDP growth lifted demand for steel, energy, cement and infrastructure, directly benefiting allied industries.
- Continued policy support for manufacturing, infrastructure and digital initiatives has buoyed industrial growth.

### Our response

SEML has continued aligning its business strategy with the nation's focus on infrastructure and energy security. Our diversified verticals are positioned to seize opportunities arising from these macroeconomic drivers.

## Industry overview

### Steel industry

India cemented its position as the world's second-largest steel producer with crude steel output at 152 MnT in FY 2024-25 (6% YOY growth) . While overall domestic steel demand rose 8%-10%, growth moderated during the year because of weaker global demand and imports pressure. Policy thrusts like the National Infrastructure Pipeline (NIP) and Production Linked Incentive (PLI) schemes are sustaining high long-term demand, but steelmakers face raw material price swings and tighter global competition.

### Mining/Coal

Coal production reached a new record of 1,047.7 MnT representing a 5% increase over the previous year by maintaining coal's pivotal role (55% of the national energy mix). India's strategy of ramping up domestic mining and reducing imports is showing results, with imports dropping by nearly 8%. Dual pricing and priority allocation for the power sector remain key features of the ecosystem.

### Power sector

India's installed electricity capacity soared to 472 GW, with 34 GW added in FY2024-25, its highest ever annual increase, led by renewables. For the first time, peak demand of 241 GW was met without outages, marking a remarkable leap in reliability. Thermal generation still dominates, but non-fossil capacity (especially solar) is growing rapidly and renewable energy capacity has surpassed 50%.

### What it means?

- Steel and energy companies face a dynamic landscape: strong domestic demand but sharper global competition and cost pressures.
- Power producers must accommodate variable renewable integration, peak load management and stricter environmental norms.
- For mining, government's drive toward self-reliance offers opportunity but also accountability for safety, ESG and efficiency.

### Our response

We continue to invest in operational efficiency and backward integration, cost optimization and safety. Our portfolio includes significant expansion in renewables and continued modernization across power assets. Our diversified business model shields us from sector-specific volatility and positions us for long-term, sustainable growth.

## Our products basked

**Iron Ore Pellets**

- Rising demand for rising steel production. Use of beneficiated ore, Domestic supply critical as raw material cost volatility increases.
- Captive iron ore mine, secure supply, efficiency.

**Ferro Alloys**

- Domestic ferro demand up 8%+, global opportunities expanding.
- Significant export footprint, domestic leadership.

**Power** (Thermal, Hydro, Solar)

- Peak demand record, renewables fastest-growing segment.
- Full value-chain player; thermal, hydro, solar mix.

**Steel**

- Strong demand from real estate, infrastructure and manufacturing. Indian per capita consumption at 119 kg, set to rise.
- Integrated value chain for cost and quality control.

**Coal** (Captive Use)

- Record national production, focus on cost reduction and energy security.
- Mines near plants, dual pricing advantage.

### What it means?

- Vertically integrated and diversified production insulates from cyclical risk and shifting margins. Supports steady margins.
- Successful scaling of renewables and waste-to-wealth projects are essential for future competitiveness, compliance and social license.

### Our response

We are strengthening backward integration and efficiency, accelerating renewables build-out and investing in innovation to deliver high-value, sustainable products. Our stance is proactive: to not only keep up with industry but to set benchmarks in resilience, ESG and quality.

National demand & relevance FY25 Sarda's strategic position

# Integrated value creation

Sarda Energy & Minerals Limited's value creation draws strength from an integrated model built around responsible resource stewardship and sustainable business performance. Leveraging a strong presence across minerals, metals and energy, the company delivers enduring value environmentally, financially and socially for all stakeholders as India moves forward on its growth trajectory.

| Capital | Manufacturing Capital | Intellectual Capital | Financial Capital |
|---|---|---|---|
| **What it is** | Our manufacturing assets include mineral mines, ferro alloys & steel manufacturing and power generation all vertically integrated for resilience & efficiency. | Intellectual capital spanning expertise in metallurgy, energy management, environmental technologies & process innovations enable continual improvement. | Financial capital comprising equity, cash flow, prudent leverage & investments drives growth and supports dividends to shareholders. |
| **Key initiatives and outcomes** | • Achieved iron ore pellet output of 818,866 MT.<br>• Achieved wire rod/HB wire output at 204,000 MT.<br>• Increased waste heat recovery to 113.45 TPH. | • Launched mineral fiber plant at Vizag plant of Sarda Metals & Alloys Limited using production by-products.<br>• Ongoing R&D for energy savings, emissions control.<br>• Commenced CBAM-ready, low-carbon technology upgrades. | • Acquisition of SKS Power (2x300 MW) to diversify energy revenue.<br>• Consolidated revenue: ₹4,643 crore.<br>• EBITDA: ₹1,410 crore.<br>• Dividend: ₹1.50/share. |
| **Stakeholders impacted** | Consumers, Employees, Investors, Value Chain Partners | Employees, Consumers, Regulators | Investors |

| Natural Capital | Human Capital | Social & Relationship Capital |
|---|---|---|
| Responsible use of mineral reserves, renewable energy, water conservation and biodiversity efforts. | Skilled, diverse workforce with strong training, health and safety standards. | Strong engagement with communities, value chain partners and a culture of robust governance. |
| • Advanced 50 MW solar project and expanded hydro to 167 MW.<br>• Achieved hydro generation of 508 million kWh.<br>• Planted 8,009 saplings for biodiversity and environmental restoration. | • Conducted >900 training sessions.<br>• zero fatalities.<br>• Maintained high employee health coverage.<br>• Workforce: 1,498 employees, 3,492 factory workers. | • Supported 50 single-teacher schools; ~3,000 families and SHG beneficiaries.<br>• All complaints from the community were addressed.<br>• Maintained board-level policy reviews and strict compliance.<br>• Achieved 8.9% value chain partner awareness coverage. |
| Environment, Communities, Regulators | Employees, Communities | Communities, Consumers, Value Chain Partners, Government, Investors |

# Engaging with purpose Empowering with trust

At Sarda Energy & Minerals Limited (SEML), we believe that meaningful engagement with stakeholders is essential for building a resilient and responsible business. Our journey from being a steel-centric company to a diversified energy and resources powerhouse has been shaped by the voices, needs and expectations of those around us. Whether it is the trust of our investors, the dedication of our employees, or the confidence of our customers and communities, every relationship holds the power to energise our progress.

Through structured and transparent communication, we strive to build lasting relationships that go beyond transactional value fostering mutual respect, shared goals and long-term sustainability. Stakeholder engagement at SEML is an integrated approach, aligning our strategic priorities with social responsibility, regulatory compliance and operational excellence.

## Our engagement methodology

Our stakeholder engagement methodology is built on the principles of inclusiveness, responsiveness and materiality.

We identify key stakeholder groups across our value chain and engage with them through formal and informal channels. We adopt a proactive, two-way communication strategy to understand emerging expectations, resolve concerns and incorporate their insights into our decision-making processes.

## We follow a systematic cycle of:

1. **Mapping** stakeholders across internal and external categories
2. **Prioritising** based on influence, impact and relevance
3. **Engaging** through the most suitable mode and frequency
4. **Monitoring and responding** to feedback and concerns
5. **Reviewing outcomes** and realigning strategies

## Stakeholder engagement framework

The following framework outlines the key stakeholder groups, their core areas of interest, the mode of engagement and frequency:

| Stakeholder Group | Key Areas of Interest | Mode of Engagement | Frequency | Capitals Impacted |
|---|---|---|---|---|
| **Shareholders & Investors** | Business performance, governance, sustainable returns | Annual Report, AGMs, investor calls, presentations and operational data sharing, stock exchange disclosures | Quarterly / Annually | |
| **Employees & Workers** | Job security, career growth, safety, work culture | trainings, intranet, feedback surveys | Regular / Monthly | |
| **Customers** | Product quality, delivery timelines, pricing, technical support | Customer meets, site visits, service feedback | Periodic / Ongoing | |
| **Suppliers & Vendors** | Procurement transparency, payment cycles, compliance | Vendor meets, contract audits, onboarding sessions | Half-yearly / As needed | |
| **Communities** | Livelihood support, education, health, environment | CSR programmes, local consultations, grievance redressal | Periodic / Quarterly | |
| **Regulatory & Government Bodies** | Legal compliance, environmental norms, industry contribution | Filings, meetings, regulatory audits | As per mandate | |
| **Financial Institutions** | Creditworthiness, risk profile, business outlook | One-on-one meetings, performance updates | Quarterly / As needed | |
| **Board of Directors** | Strategic direction, governance, oversight | Board meetings, committee meetings, updates | Quarterly / Annually | |
| **Environment & Civil Society** | Climate impact, biodiversity, water and air quality | Sustainability reports, public disclosures, green initiatives | Annual / Project-based | |

Manufacturing Capital | Intellectual Capital | Financial Capital
Natural Capital | Human Capital | Social & Relationship Capital

# Safeguarding resilience Empowering growth

At Sarda Energy & Minerals Limited, systematic risk management is central to sustainable value creation and resilience. Our framework rigorously identifies, assesses, mitigates and monitors risks at every level of the organization.

## Our risk management process

### Risk identification and assessment

A comprehensive assessment of potential threats, vulnerabilities and emerging risks is carried out across operational, regulatory, financial, environmental and strategic domains using the Hazard Identification & Risk Assessment (HIRA) and Job Safety Analysis (JSA) methodologies. Each business vertical, mining, steel, power and ferro alloys are mapped for their specific sectoral risks and closely monitored at the unit level to ensure proactive mitigation.

### Risk evaluation and prioritization

Risks are evaluated for likelihood and impact, using both quantitative and qualitative methods. Risks are prioritized for escalation based on severity. Risks are reviewed directly by the Risk Management Committee headed by an Independent Director.

### Risk mitigation and control

Mitigation plans are rolled out, including process changes, insurance, technological upgrades, training and compliance controls. For material risks, crisis management and business continuity plans are maintained.

### Governance structure

The Risk Management Committee is responsible for framing and monitoring the risk management policy and overseeing its implementation across the organisation. The Board of Directors provides overall guidance on the risk framework through periodic reviews of business plans and strategic risk approaches. At the operational level, individual business units are tasked with day-to-day execution, identification of emerging risks and timely feedback for necessary actions / instructions.

### Ongoing monitoring & reporting

Risk governance at Sarda Energy is strengthened through regular internal audits and management reviews, with periodic updates presented to the Board and the Risk Management Committee. Key Risk Indicators (KRIs) and the effectiveness of mitigation measures are continuously tracked throughout the year, while oversight by Independent Directors ensures transparency, objectivity and accountability in the overall risk management process.

## Key risks identified & company response

The company operates in a dynamic environment where it faces risks arising from commodity price cyclicality, regulatory and policy changes, project execution challenges, environmental and sustainability concerns, operational and safety hazards, cybersecurity vulnerabilities and financial market volatility. To manage these, it has diversified revenue streams, secured captive resources and leveraged integration across its value chain. Strong compliance systems and centralised project monitoring frameworks ensure adherence to regulations and timely execution of projects. The company also focuses on sustainability through pollution-control measures, renewable energy adoption, and waste-to-wealth initiatives, while prioritising safety through rigorous protocols, training and reviews. Cybersecurity safeguards are reinforced via system upgrades, access control, and regular audits and financial resilience is maintained through prudent debt management and contingency buffers.

# Defining what matters most

At Sarda Energy, our journey of sustainable value creation is anchored in identifying what truly matters to our business, stakeholders and the ecosystem we operate in. We continuously identify and evaluate issues that hold the greatest relevance to our business operations and stakeholder interests.

This approach helps us focus on the most critical issues that may influence our business performance and long-term goals. We draw insights from our Business Responsibility & Sustainability Report (BRSR), internal assessments, regulatory guidelines and broader industry practices to understand and address matters of strategic relevance.

Our materiality approach reflects a balance between internal priorities and external expectations. It empowers us to act on what counts, whether it's reducing emissions, managing resources responsibly, or empowering our workforce and communities.

## How we identify material issues

**Understanding key perspectives:**

We strive to stay attuned to the evolving expectations of stakeholders connected to our business by observing industry trends, operational feedback and regulatory developments.

**Risk and opportunity mapping**

Cross-functional teams regularly assess our operations, compliance landscape and sector developments to identify factors that may influence our performance, reputation, or growth potential.

**Relevance and prioritization**

Issues are evaluated based on their significance to our business goals and long-term resilience. Those deemed most relevant are monitored closely and form part of our internal focus areas for action and improvement.

**Ongoing review**

Our understanding of key issues is refreshed periodically to ensure alignment with our strategic direction and business environment. This helps us stay prepared, responsive and focused on sustainable value creation.

## What matters most right now

**Environmental responsibility:**

Our investments in clean energy, energy efficiency upgrades and waste-to-wealth initiatives directly address climate action goals and support responsible resource use. We have prioritized 100% waste utilization and stricter emission controls to minimize our ecological footprint and regulatory risks.

**Social responsibility:**

The protection and development of our people remain at the heart of our mission. Regular trainings, health check-ups and skill-building ensure not only compliance, but also a thriving, motivated workforce ready to meet challenges. We also believe in positive, long-term partnerships with the communities around us. Our effort to support education, enhance livelihoods through community initiatives and timely grievance redressal reflect our commitment to fostering inclusive growth and building value for our stakeholders.

**Governance and transparency:**

Consistent Board oversight, rigorous adherence to policies underpin both investor trust and brand reputation. We view strong governance as the foundation for sustainable business performance and stakeholder confidence.

# Steered by robust and visionary governance

At Sarda Energy & Minerals Limited (SEML), sound corporate governance forms the cornerstone of our sustainable growth and stakeholder value creation. The company adopts a philosophy rooted in transparency, integrity, ethical conduct and corporate social responsibility, ensuring that all business practices align with best-in-class governance standards.

## Board of Directors

At Sarda Energy, the Board of Directors serves as the guiding force behind the Company's strategic direction, performance oversight and long-term value creation. The Board consists of 9 Directors who remains deeply committed to ensuring that our business decisions reflect a balanced consideration of economic, environmental and social outcomes, while upholding the highest standards of governance and accountability.

Comprising a dynamic mix of executive, non-executive and independent directors, the Board brings together an array of experience across sectors such as energy, mining, finance, legal, regulatory affairs, governance, risk management and sustainability. This diversity of expertise enables the Board to critically assess emerging opportunities and challenges and steer the Company in line with its strategic goals.

## Board's diversity

Sarda Energy embraces the value of diversity in its leadership. In selecting new members, the Board takes into account a broad spectrum of attributes including skills, experience, gender, age, educational background and cultural perspectives. Our approach ensures a balanced composition that fosters robust discussions, inclusive decision-making and sustained performance. Board evaluations, succession planning, regulatory compliance and tenure reviews are part of a structured process to maintain a forward-looking and agile leadership framework.

As custodians of stakeholder trust, the Board continues to review and align corporate strategies, policies and risk frameworks, reinforcing our commitment to responsible governance and resilient growth.

**3**

Promoter Directors

**1**

Independent Woman Director

**56%**

Board comprises of Independent Directors

# Board of Directors

## Mr. Kamal Kishore Sarda

Chairman & Promoter Wholetime Director, is a Mechanical Engineer with nearly 49 years of industry experience. As the founding visionary of Sarda Energy & Minerals Limited, he has led the Company's evolution across the minerals, energy and metals sectors. His expertise spans iron and steel manufacturing, mining and strategic business development. Guided by his strong belief in sustainable growth and governance, he continues to shape SEML's long-term direction with foresight and leadership.

*Committee Associations:*

## Mr. Pankaj Sarda

Managing Director & Promoter Whole-time Director, has done M.S. in Industrial Engineering and brings over 22 years of hands-on experience in driving the Company's strategic and operational growth. He plays a pivotal role in enhancing production efficiency, integrating the value chain and strengthening the Company's focus on operational excellence and organizational development.

*Committee Associations:*

## Mr. Padam Kumar Jain

Whole-time Professional Director & CFO, is a Chartered Accountant and Company Secretary with nearly 39 years of experience in finance, taxation, corporate law and strategic budgeting. He ensures financial discipline and regulatory compliance across the organization while guiding the Company's fiscal management and risk mitigation strategies.

*Committee Associations:*

**Chairperson**

- Audit Committee
- Stakeholders' Relationship Committee
- Risk Management
- Corporate Social Responsibility Committee
- Nomination & Remuneration Committee

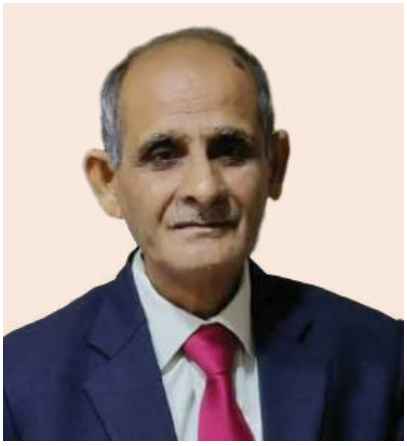
**Members**

- Audit Committee
- Stakeholders' Relationship Committee
- Risk Management
- Corporate Social Responsibility Committee
- Nomination & Remuneration Committee

# Board of Directors

## Mr. Anant Sarda

Non-Executive Non-Independent Promoter Director holds B.Sc. in Engineering degree and MBA, with around 7 years of experience in finance and plant operations. He supports budgeting, treasury and process optimization efforts within SEML's operations, contributing to improved efficiency and performance across units.



## Mr. Amal Kumar Debnath

Independent Director, is a mining professional having done B.Tech and 1st Class Mine Manager with nearly 49 years of experience in mineral exploration, policy and regulatory affairs. His deep sectoral knowledge supports the Company's efforts in mining excellence and operational governance.

*Committee Associations:*

## Mr. Binoy Parikh

Independent Director, is a Chartered Accountant and a law Graduate with over 12 years of experience in mergers and acquisitions, capital market regulation, taxation and related matters. He brings a strong perspective on mergers, internal controls and audit practices, contributing to robust financial governance.

*Committee Associations:*

## Key Governance KPIs

**Diversity of tenure**

| Duration | No. of Directors |
|---|---|
| 0-2 years | 5 |
| 2-5 years | 1 |
| 5 years and above* | 3 |

*Includes whole-time directors

**Diversity of age**

| Age | No. of Directors | Average Age |
|---|---|---|
| 25-40 years | 2 | 56 |
| 41-50 years | 1 | |
| 51-60 years | 0 | |
| 60 years and above | 6 | |

## Mr. Rajeev Sharma

Independent Director, is a seasoned power sector professional having done Master's in Engineering from IIT Roorkee and Masters' in Business Administration holding around 41 years of experience across power sector value chain. His understanding of regulatory frameworks and operational systems supports strategic direction and enhances Board deliberations with sectoral depth.

*Committee Associations:*

## Ms. Tripti Sinha

Independent Director, is a gold medalist in Electrical Engineering and brings nearly 44 years of expertise in power transmission and operational matters. Her extensive experience in the sector strengthens the Board's technical insight while also contributing to balanced and inclusive governance.

*Committee Associations:*

## Mr. Upendra Prasad Singh

Independent Director, is an experienced IAS officer belonging to 1985 batch of Indian Administrative Service, Odisha Cadre. He has done M.Tech in Industrial & Management Engineering and holds nearly 39 years of service in public administration having headed a number of public sector enterprises. His rich experience across corporate sector provides valuable insights into institutional processes and stakeholder alignment, governance and policymaking.

*Committee Associations:*

**Chairperson**

- Audit Committee
- Stakeholders' Relationship Committee
- Risk Management
- Corporate Social Responsibility Committee
- Nomination & Remuneration Committee

**Members**

- Audit Committee
- Stakeholders' Relationship Committee
- Risk Management
- Corporate Social Responsibility Committee
- Nomination & Remuneration Committee

**Gender diversity**

Male : Female

**8:1**

# How the six capitals power our value engine

At Sarda Energy & Minerals Limited, our sustainable success is built on a holistic framework that integrates six critical capitals - Manufacturing, Intellectual, Financial, Stakeholders, Human and Natural. These interconnected resources serve as the core pillars of our value creation strategy, enabling us to deliver consistent performance, resilience and long-term growth for all stakeholders.

By nurturing each capital thoughtfully and leveraging their unique strengths, we reinforce our capacity to innovate, responsibly manage resources and drive positive impact across every aspect of our operations. The synergy between these capitals powers our value engine, setting the foundation for the detailed exploration that follows.

# Manufacturing Capital

Sarda Energy operates a robust and diversified manufacturing capital base spanning over five decades, with strategic operations across an integrated Minerals-Energy-Metals ecosystem. The company's manufacturing infrastructure represents a vertically integrated model designed to optimize costs, ensure supply chain security and maximize value addition through captive consumption and forward integration.

## Manufacturing locations

**Siltara, Raipur (Chhattisgarh)**

Complete steel value chain manufacturing facility encompassing the entire production spectrum from raw materials to finished products. The company operates steel and ferro alloys manufacturing facilities alongside a captive power generation facility, ensuring energy security for manufacturing operations.

**Strategic Advantage**: Proximity to iron ore and coal mine ensures reliable fuel security and cost optimization.

**Vishakhapatnam (Andhra Pradesh)**

High-capacity ferro alloys production facility and captive power generation. The facility is strategically positioned for international market access.

**Strategic Advantage**: Strategic port location enables efficient access to global ferro alloys markets.

**Binjkot, Raigarh (Chhattisgarh)**

Commercial power generation facility with 600 MW capacity (2x300 MW) acquired in August 2024, strategically located near coal mining operations.

**Strategic Advantage**: Proximity to coal mine optimizes fuel logistics and operational efficiency.

**Hydro Power Generation facilities**

Uttrakhand – 4.8 MW

Sikkim – 113 MW

Chhattisgarh – 24 MW and 24.9 MW

**Strategic Advantage**: Supports green energy generation helping in reducing carbon emissions.

## Raw material inputs & backward integration

### Iron-ore security

- **Source**: Dongarbore Mine, Rajnandgaon, Chhattisgarh
- **Capacity**: 1.5 MMT annual extraction capacity
- **Integration Level**: Meets approximately 30% of captive steel manufacturing requirements

### Coal resource integration

- **Primary Source**: Gare Palma IV/7, Chhattisgarh
- **Current Capacity**: 1.68 MMT (Planned to 5.20 MMT in phases)
- **Usage Pattern**: Mainly to meet captive requirement.

### Energy self-sufficiency

- **Captive Power Generation**: 161.5 MW total capacity ensures manufacturing energy security
- **Waste Heat Recovery**: 21.5 MW additional power generation from steel manufacturing operations

## Installed manufacturing capacity

**9 lakh MT**
Iron-ore pellets

**2.5 lakh MT**
Wire Road

**167 MW**
Hydro Power

**3.6 lakh MT**
Sponge Iron

**0.45 lakh MT**
H.B. Wire

**3 lakh MT**
Steel Billets

**147 MVA**
Ferro Alloy

## Ferro Alloys Capacity

**Siltara Plant (Domestic Market Focus)**

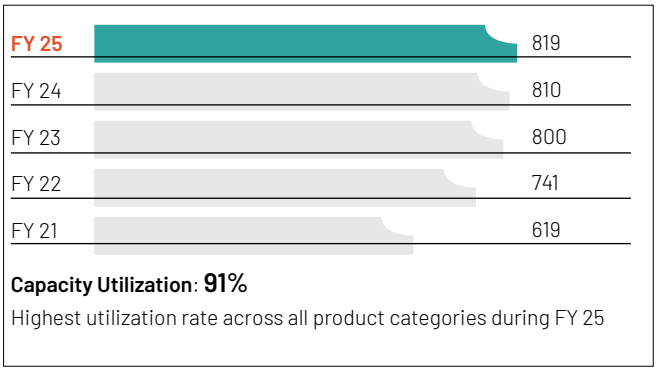
- Configuration: 5 x 9 MVA furnaces
- Total Capacity: **45 MVA**

**Vishakhapatnam Plant (Export Market Focus)**

- Configuration: 2 x 33 MVA + 1 x 36 MVA furnaces
- Total Capacity: **102 MVA**

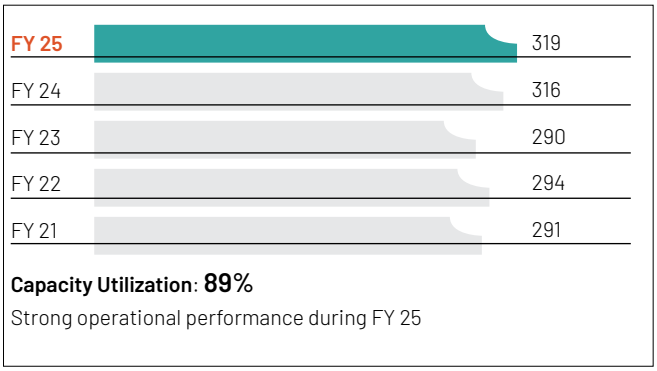
## Production Performance

### Iron Ore Pellets ('000 MT)



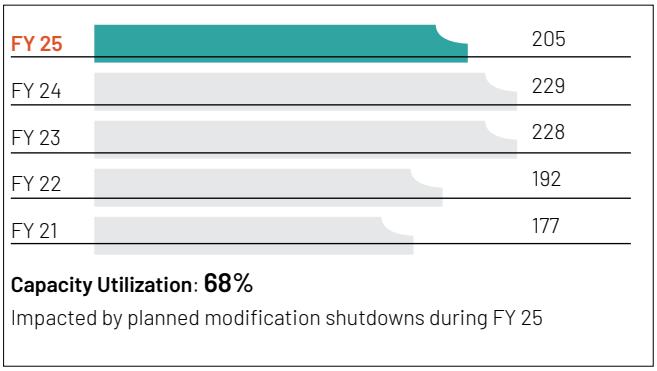

**Capacity Utilization: 91%**
Highest utilization rate across all product categories during FY 25

### Sponge Iron ('000 MT)



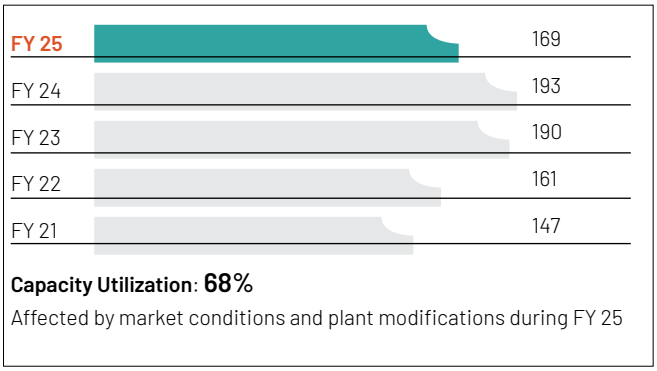

**Capacity Utilization: 89%**
Strong operational performance during FY 25

### Steel Billets ('000 MT)



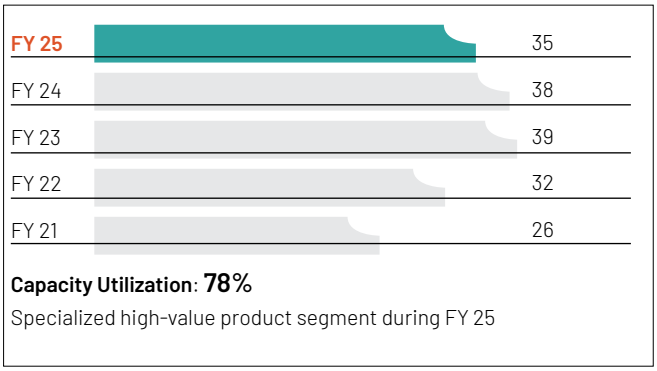

**Capacity Utilization: 68%**
Impacted by planned modification shutdowns during FY 25

### Wire Rod ('000 MT)



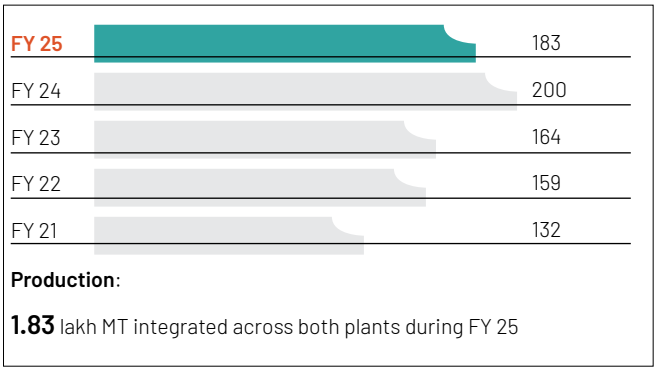

**Capacity Utilization: 68%**
Affected by market conditions and plant modifications during FY 25

### H.B. Wire ('000 MT)



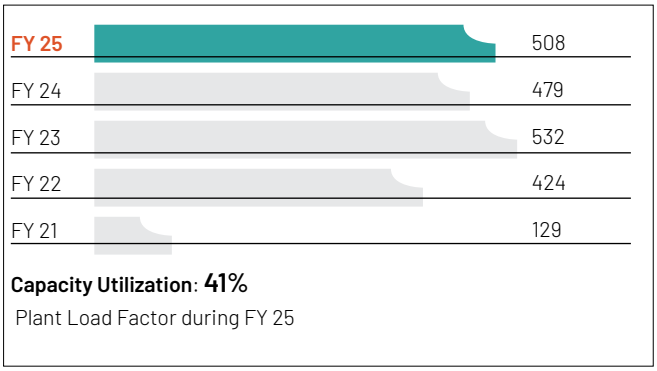

**Capacity Utilization: 78%**
Specialized high-value product segment during FY 25

### Ferro Alloys ('000 MT)



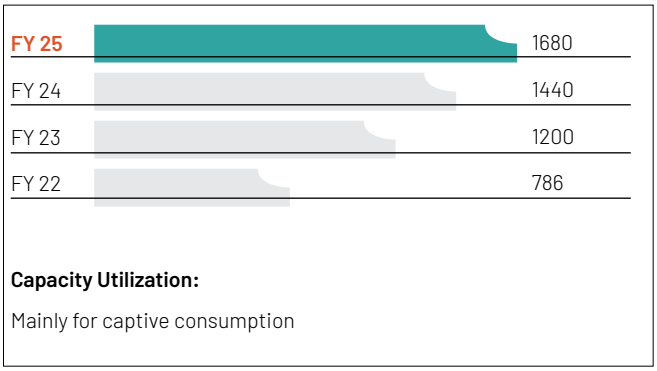

**Production:**
**1.83** lakh MT integrated across both plants during FY 25

### Hydro Power (Mn KWH)




**Capacity Utilization: 41%**
Plant Load Factor during FY 25

### Coal ('000 MT)




**Capacity Utilization:**
Mainly for captive consumption

## Thermal/Solar Power Plants

| Plant (Location) | Type | Installed Capacity (MW) |
|---|---|---|
| Siltara (Raipur) | Captive | **81.5** |
| Vizag (Andhra Pradesh) | Captive | **80** |
| Binjkot (Chhattisgarh)* | Commercial/IP | **600** (2 × 300 MW and used for grid sales) |
| Solar (Chhattisgarh) | Captive | **50** (Under construction; COD expected FY26) |

*Acquired under CIRP w.e.f 22.08.2024

## Hydro Power Plants

| Plant (Location) | State | Installed Capacity (MW) |
|---|---|---|
| Loharkhet | Uttarakhand | **4.8** MW |
| Gullu | Chhattisgarh | **24** MW |
| Rongnichu | Sikkim | **113** MW |
| Rehar | Chhattisgarh | **24.9** MW (Commenced commercial operation in July 2025 |

## Steel value chain integration

SEML's steel value chain is strategically integrated to maximize internal utilization and value addition across each stage of manufacturing. Approximately 30% of iron ore pellets produced are consumed captively within the Company's own steel production process. Sponge iron production is also internally aligned, with nearly 50-55% of output used for further steel manufacturing. This seamless integration continues with steel billets, of which 80-85% are further processed into wire rods, ensuring higher value realization. The value chain culminates with wire rods, where 20% are converted into H.B. wire to extract maximum product value.

## Manufacturing efficiency drivers

This integrated manufacturing model is further strengthened by efficiency drivers embedded across operations. About 30% of the Company's iron ore requirements are met through captive sources, significantly enhancing raw material security and reducing dependency on external procurement. Additionally, the integration of coal mines into the manufacturing value chain ensures optimized fuel costs and logistical efficiencies. The strategic location of facilities in close proximity to one another further supports operational efficiency by lowering transportation costs and enabling smoother coordination across units. Captive power and waste heat recovery ensures lower energy cost.

## Future expansion

| | |
|---|---|
| **Iron-ore resource expansion**: | Sarda Energy is strengthening its iron ore security with forward-looking plans. The Company, under its Subsidiary Joint Venture has received a Letter of Intent for the Surjagad-1 block in Maharashtra, which marks a strategic step toward expanding its raw material base and enhancing long-term integration. |
| **Coal mining capacity ramp-up**: | The Company is set to expand its coal mining footprint through a multi-pronged strategy. Phase-wise expansion is planned to increase capacity at Gare Palma IV/7 up to 5.20 million metric tonnes per year. Additionally, development and approvals are progressing for other projects such as Gare Palma IV/5 (1.10 MMT), Shahpur West (0.60 MMT) and Bartunga JV (2.10 MMT), which will further bolster captive coal availability. |
| **Commercial power integration**: | As part of its vertical integration strategy, Sarda Energy has acquired operating 600 MW commercial thermal power plant at Binjkot. Full benefit will be realized in FY 2025-26, reinforcing the Company's transition from commodities to energy-based value creation |
| **Hydro Power:** | Capacity addition upto 50 MW is under various stages of approval. This will help in increasing green energy production. |

# Intellectual Capital

Sarda Energy has built a formidable platform of intellectual capital, merging advanced industrial know-how, enterprise-wide digital infrastructure, strict process discipline and a steadfast culture of improvement across its minerals, metals and energy businesses. This intellectual base not only drives high product quality and operational efficiency but is also pivotal for resilience and business continuity in rapidly changing market environments.

## Technology and process leadership

SEML's vertically integrated production from mineral extraction to finished value-added steel, ferro alloys and energy rests on best-in-class technology and strict process discipline. All major manufacturing sites, covering iron ore pellets, sponge iron and steel, power and ferro alloys, are equipped with advanced digital control systems. These automated systems ensure reliability and uniformity of output across the product spectrum, enhancing both performance and safety. Real-time monitoring and centralized process controls enable the company to respond instantly to process deviations or anomalies an essential factor in high-stakes metals and energy operations.

## Integrated digital platforms and cybersecurity

SEML's operational excellence is further underpinned by a robust digital backbone. The company runs a centralized SAP ERP system upgraded from ECC 6.0 to S/4HANA using SAP Activate and ASAP methodologies which integrates supply chain, procurement, finance, HR and production data. Seamless information flow eliminates silos, enables data-driven and faster decision-making and brings full transparency to business processes.

Collaboration and communication are enhanced through the use of Microsoft Outlook, Slack and a dedicated employee portal, collectively improving agility and information sharing. Given the reliance on digital operations, SEML has implemented stringent cybersecurity protocols: layered access controls, routine system audits and independent security assessments guard against threats and ensure the integrity and continuity of critical business operations.

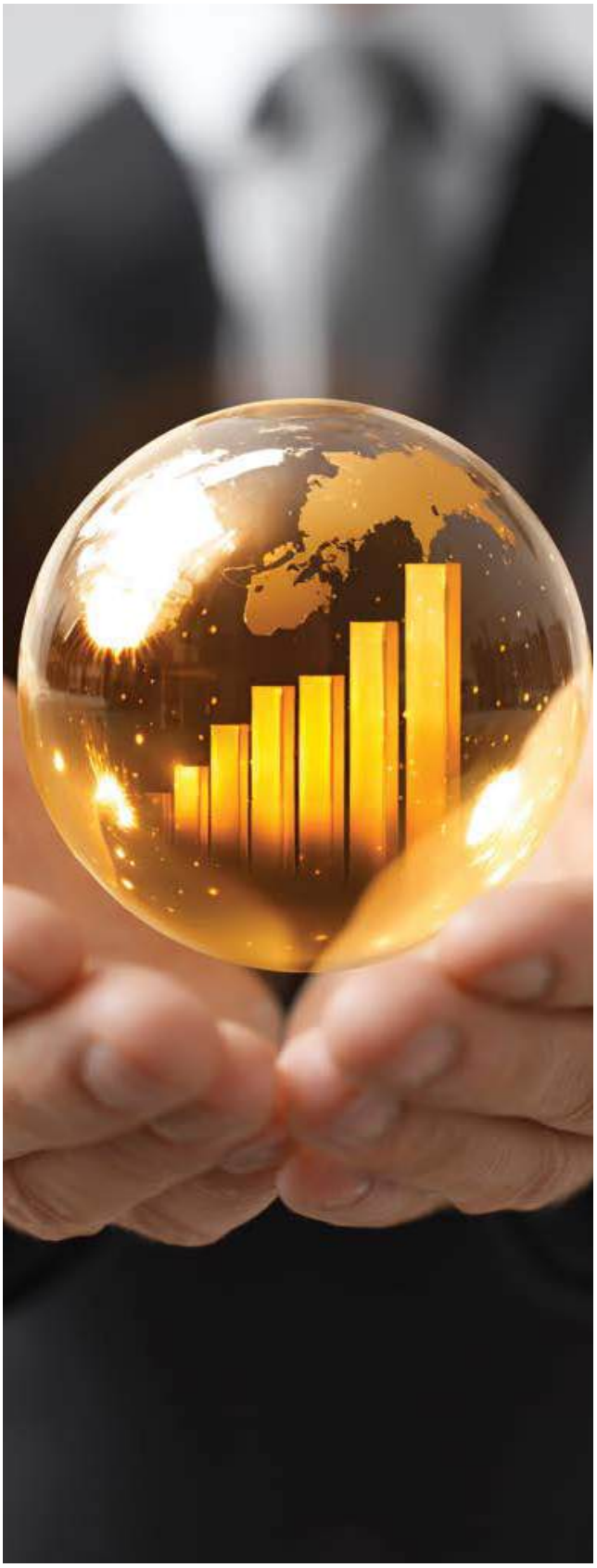
## Quality assurance and certification

Operating to rigorous global standards, SEML holds ISO 9001:2015 certification across all key manufacturing units reflecting its sustained commitment to quality and process excellence. SEML has NABL accredited Lab. At each plant, dedicated Quality Assurance Departments equipped with modern laboratories and a team of trained technicians monitor every stage of the process: from receipt of raw materials to in-process checkpoints and final dispatch. Metallurgical control is enshrined throughout production, enforced via digital controls and quality checks at critical stages. This meticulous approach guarantees product traceability, continuous improvement and reliable compliance with both customer specifications and statutory benchmarks.

## Governance and execution discipline

SEML's intellectual capital draws its resilience from being people-powered with experienced teams who understand plant nuances, from being rigorously process-driven and from gradual, continual improvement. Every refinement, whether a technical retrofit or a routine repair, further strengthens the company's foundation and future performance.

# Financial Capital



Our financial strength forms the backbone of our growth momentum. With a strong foundation of disciplined capital deployment, prudent risk management and sustained profitability, we continue to invest in opportunities that enhance operational scale and long-term value. Even in a volatile macroeconomic environment, our focus remains on generating consistent returns and supporting the business transformation with sound financial stewardship.

**Revenue from Operations** (₹ in Crores)

| | |
|---|---|
| FY 25 | 4,643 |
| FY 24 | 3,868 |
| FY 23 | 4,212 |
| FY 22 | 3,914 |
| FY 21 | 2,199 |

**Total Income** (₹ in Crores)

| | |
|---|---|
| FY 25 | 4,815 |
| FY 24 | 4,052 |
| FY 23 | 4,261 |
| FY 22 | 3,964 |
| FY 21 | 2,343 |

**EBITDA** (₹ in Crores)

| | |
|---|---|
| FY 25 | 1,410 |
| FY 24 | 982 |
| FY 23 | 1,110 |
| FY 22 | 1,406 |
| FY 21 | 664 |

**EBITDA Margin** (%)

| | |
|---|---|
| FY 25 | 29 |
| FY 24 | 24 |
| FY 23 | 26 |
| FY 22 | 36 |
| FY 21 | 28 |

**PAT** (₹ in Crores)

| | |
|---|---|
| FY 25 | 702 |
| FY 24 | 524 |
| FY 23 | 604 |
| FY 22 | 807 |
| FY 21 | 376 |

**PAT Margin** (%)

| | |
|---|---|
| FY 25 | 15 |
| FY 24 | 13 |
| FY 23 | 14 |
| FY 22 | 20 |
| FY 21 | 16 |

**Cash generated from operations** (₹ in Crores)

| | |
|---|---|
| FY 25 | 886 |
| FY 24 | 742 |
| FY 23 | 701 |
| FY 22 | 917 |
| FY 21 | 189 |

**Debt:Equity** (Ratio)

| | |
|---|---|
| FY 25 | 0.41 |
| FY 24 | 0.32 |
| FY 23 | 0.36 |
| FY 22 | 0.49 |
| FY 21 | 0.72 |

**RoE** (%)

| | |
|---|---|
| FY 25 | 13.56 |
| FY 24 | 13.48 |
| FY 23 | 17.71 |
| FY 22 | 26.86 |
| FY 21 | 16.95 |

**RoCE** (%)

| | |
|---|---|
| FY 25 | 14.64 |
| FY 24 | 15.53 |
| FY 23 | 19.59 |
| FY 22 | 27.38 |
| FY 21 | 15.06 |

# Natural Capital

At SEML, we strive to conduct our business in a harmonious manner by creating balance between environmental stewardship and economic growth across the communities where we operate. Our commitment extends to understanding and continuously improving environmental performance through science-based approaches and sustainable practices.

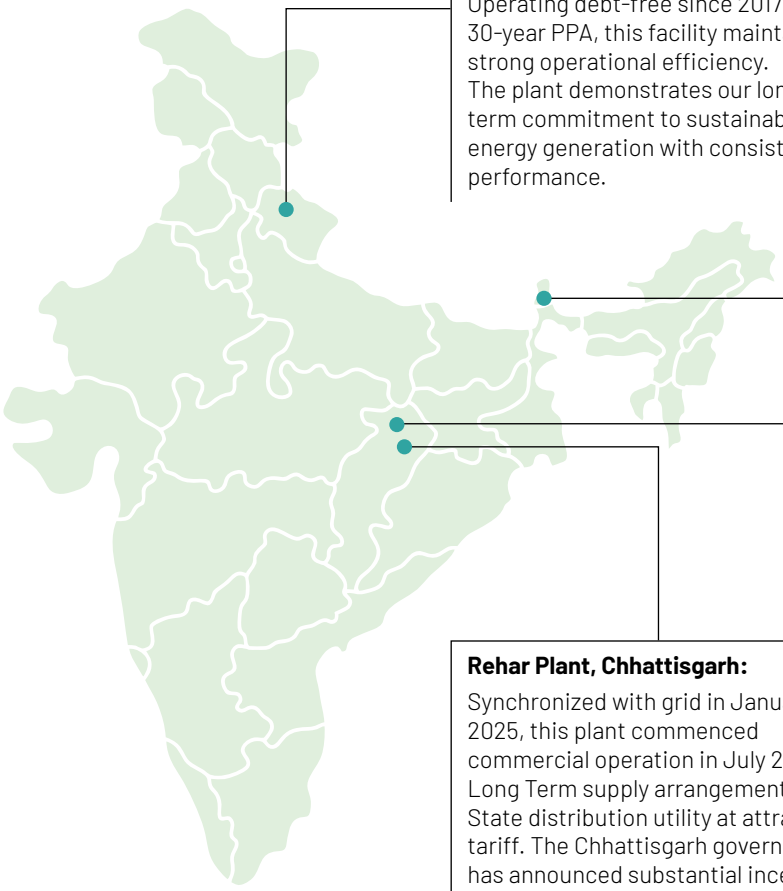
## Renewable energy excellence

Our transformation into a comprehensive energy company reflects our commitment to sustainable power generation through diversified renewable sources. This strategic shift has positioned SEML as a serious energy player with operational capacity approaching 1 GW.

## Hydro power excellence

Our transformation into a comprehensive energy company reflects our commitment to sustainable power generation through diversified renewable sources. SEML operates one of India's most strategically diversified hydro power portfolios across four geographically distributed plants, providing stable, long-term revenue streams through Power Purchase Agreements (PPAs). The business maintains exceptionally high EBITDA margins, reflecting the annuity-like nature of hydro power revenues under long-term PPAs and low variable operating costs inherent to hydro power generation.

## Operational portfolio excellence



**Sarju Plant, Uttarakhand:**

Operating debt-free since 2017 with 30-year PPA, this facility maintains strong operational efficiency. The plant demonstrates our long-term commitment to sustainable energy generation with consistent performance.

**4.8 MW**
Operational capacity

**Rongnichu Plant, Sikkim:**

Our flagship hydro asset delivering strong free cash flows, enabling debt pre-payment through robust operational performance. This plant represents our largest single hydro investment and demonstrates our execution capabilities and the scalability of our hydro power strategy.

**113 MW**
Operational capacit

**Rehar Plant, Chhattisgarh:**

Synchronized with grid in January 2025, this plant commenced commercial operation in July 2025. Long Term supply arrangement with State distribution utility at attractive tariff. The Chhattisgarh government has announced substantial incentives in its recent industrial policy to promote the hydropower sector and this plant will benefit from these policy supports.

**24.9 MW**
Operational capacity

**Gullu Plant, Chhattisgarh:**

Generating free cash flows since first year with 35-year PPA at ₹ 5.21 per unit. This facility exemplifies our operational excellence in renewable energy generation. The plant continues to deliver reliable performance with strong financial returns.

**24 MW**
Operational capacity

**Disclaimer:**

This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

## Performance during FY 25

**₹ 330 Crore**
Revenue during FY 25

**508 Mn KwH**
Total generation

**476 Mn KwH**
Power sales

### Future expansion pipeline

Our hydro power expansion strategy focuses on strategic project development across multiple states to diversify geographical risk and capitalize on regional policy incentives. Our upcoming project based on IB river is progressing through approval stages. This facility will further enhance our Chhattisgarh hydro portfolio and benefit from the state's supportive industrial policy framework. We have also several additional small hydropower projects under different stages of approval, indicating continued expansion potential in this high-return, sustainable energy segment.

**50 MW**
Expected commissioning by FY 26

## Solar power development

The company is pioneering renewable energy adoption through our ambitious Solar Power Plant development in Chhattisgarh, marking a pivotal milestone in our transition toward carbon neutrality. This strategic initiative will replace costly grid power and significantly reduce energy expenses while advancing our sustainability commitments. Beyond financial benefits, this solar project exemplifies our proactive approach to energy independence and cost optimization, ensuring long-term competitiveness while contributing to India's renewable energy objectives and our commitment to achieving net-zero emissions by 2047. The project represents SEML's strategic positioning as a comprehensive energy and mining company with strong integration capabilities.

## Waste Heat Recovery power

SEML's integrated approach to energy utilization showcases waste heat recovery systems that transform manufacturing by-products into clean, reliable power. Our comprehensive waste heat recovery infrastructure generates clean electricity from ferro alloy and steel manufacturing processes, representing a cornerstone of our sustainable energy strategy.

This innovative approach delivers dual environmental and economic benefits by converting waste heat into valuable electricity that supports both our captive consumption needs and contributes to grid stability. The waste heat recovery system is seamlessly integrated into our Siltara Plant configuration, ensuring optimal resource utilization and enhanced operational efficiency. The system not only reduces our carbon footprint but also exemplifies our dedication to sustainable manufacturing practices. By capturing and converting thermal energy that would otherwise be lost, we're maximizing the value derived from every aspect of our production processes while contributing to our goal of reducing APC by 0.5% by end of 2025-26.

## Energy efficiency & conservation

A comprehensive energy management strategy has been adopted, emphasizing technological upgrades and operational optimization to enhance efficiency across all business segments. The Company has laid out specific commitments with defined timelines to drive measurable improvements in energy performance.

### Strategic efficiency initiatives

The replacement of the existing Turbo Generator with a high-efficiency BHEL Turbo Generator is scheduled for the first half of FY27. This upgrade is intended to significantly improve operational efficiency through

advanced technology adoption. In the ferro alloys division, plans are underway to upgrade the Gas Cleaning Plant (GCP) and cooling systems to minimize fugitive emissions around the furnace area by the end of FY26. In parallel, the transition from a conventional bus bar system to a bus tube system is expected to improve energy efficiency and operational reliability by the same timeline.

### Operational improvements

Fuel-operated material handling vehicles are being gradually replaced with electric battery-operated alternatives, supporting a shift toward cleaner transportation across operations. Additionally, a baseline energy audit of the Independent Power Plant (IPP) has been completed for PAT Cycle-09 and notification from the Bureau of Energy Efficiency (BEE) is anticipated. Following this, a Mandatory Energy Audit (MEA) by an accredited third-party agency will be undertaken, with all recommended actions to be implemented within the prescribed three-year PAT cycle.

**0.5%**
APC reduction by end of FY 26

## Water stewardship

Water conservation and responsible usage are central to our environmental responsibility, as we recognize water as a critical resource impacting both ecological balance and social well-being. We have identified water and effluent management as a material issue, warranting continuous attention and mitigation.

### Water management strategy

Our operations are aligned to a zero-discharge philosophy. In FY 25, SEML achieved 100% wastewater recycling across all plants, processing over 8.34 million kilolitres of water through integrated Zero Liquid Discharge (ZLD) and Sewage Treatment Plant (STP) systems. This effort ensured complete recycling and reuse of water within the facility without any release to the external environment.

### Key Initiatives

Our water stewardship strategy includes:

- Advanced ZLD systems to treat all process effluent for reuse in industrial operations.
- STPs for domestic wastewater, ensuring complete on-site treatment and safe reuse.
- Zero industrial effluent discharge, reinforcing our compliance and water sustainability focus.
- Continuous improvement in water use efficiency, reinforced through closed-loop processes and internal monitoring.

**8.34 Mn KL**
Water recycled

**0 KL**
External water discharge

**100%**
Effluent reused within plant boundary

## Air emission management

Our emission control strategy addresses manufacturing processes that generate hazardous substances, implementing comprehensive pollution control measures to minimize environmental impact. We have identified emission control as a material risk with negative financial implications requiring proactive mitigation. We ensure installation of suitable pollution control equipment and compliance of environmental norms across all operations. Our approach includes continuous monitoring of emission parameters and strategic technology integration to maintain exemplary environmental performance.

The company has commenced a focused programme of CBAM-ready, low-carbon technology upgrades across its production lines, responding proactively to global carbon border adjustment mechanisms (CBAM) and tightening emission norms. The company is modernizing its process infrastructure: an advanced gas cleaning plant is being installed in the ferro alloys division to minimize fugitive emissions (scheduled to commence during FY26).

**100%**
Adherence to environmental norms

## Waste management & circular economy

SEML's waste management philosophy centers on comprehensive waste-to-wealth programs designed to achieve complete waste utilization, transforming potential environmental liabilities into valuable resources. We have identified waste management as a significant opportunity with positive financial implications.

### Recycled materials utilization

At SEML, our circular economy approach translates into tangible action through extensive material recovery and reuse across operations. A substantial share of our total material input comes from recycled or reused sources, underscoring our commitment to minimizing resource intensity and maximizing sustainability.

Silico Slag remains our largest recycled material, widely used in construction applications reinforces our alignment with eco-friendly infrastructure development. Fly ash and bed ash, generated from thermal operations, are efficiently repurposed in cement and brick manufacturing. Induction slag supports road and foundation work, contributing to low-impact construction practices.

Additionally, we ensure recovery and reuse of MnO slag for specific metallurgical uses, char and dolochar in thermal energy processes, mill scale for reintegration into the steel value chain and end-cutting scrap in our own manufacturing systems. These efforts together reflect a closed-loop approach that reduces waste, conserves resources and enhances operational circularity.

### Waste-to-wealth innovation

Our integrated approach transforms manufacturing waste into valuable products, creating economic value while reducing environmental impact. The Mineral Fibre Project commenced production effective March 28, 2025, representing our commitment to innovative waste utilization technologies.

**100%**
Waste utilization target

**7+**
Material categories recycled

**7,200 MTPA**
Mineral Fibre Project

## Biodiversity and Ecosystem Care

SEML is committed to preserving biodiversity through strategic plantation drives and ecosystem protection initiatives across its operational areas. In FY25, we exceeded plantation targets, reinforcing our dedication to positive environmental impact and ecosystem support. Our efforts prioritize indigenous tree species, protection of local flora and fauna and collaboration with nearby communities to enhance ecological balance. Beyond plantation, we focus on habitat restoration, continuous biodiversity monitoring and proactive measures to minimize operational impact and strengthen ecological resilience.

**8,000**
Saplings planted

**100.1%**
Target achievement rate

## Environmental compliance & future outlook

SEML maintains exemplary environmental compliance across all operations, with comprehensive policies covering duly approved by the Board of Directors. Our environmental initiatives serve as catalysts for long-term success and resilience in evolving market dynamics.

As we transition to a low-carbon economy, the implications on steel and power sectors will be profound. We continue to seek innovative ways for this transition through experimentation and investment, while exploring sustainable alternatives to traditional production methods and concurrently investing in new and efficient production methods.

Looking ahead, we remain committed to advancing our environmental performance through continuous innovation, strategic investments in clean technologies and unwavering dedication to sustainable development principles that benefit both our stakeholders and the communities we serve.

# Human Capital

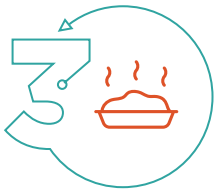
We believe that our greatest asset is our human capital. By harnessing the potential of our dedicated and skilled workforce, we are breaking barriers and driving innovation across all facets of our operations. Our employees are the backbone of our success, bringing creativity, expertise, and a relentless commitment to excellence. Through continuous training, development programs, and a culture that fosters collaboration and inclusivity, we empower our team to reach new heights and tackle challenges head-on. This focus on human capital not only enhances individual growth but also propels our company forward, enabling us to achieve new milestones and maintain a competitive edge in the industry.

## Terms of employment

At Sarda Energy, we place a strong emphasis on employee orientation and well-being. We value and incentivize strong performance, and prioritize employee retention and professional development. Our commitment to upholding high standards of employee welfare is evident in our employee-centric policies and supportive global work environment. Through our Remuneration policy, Welfare Measures, and Career Growth and Training programs, we ensure the protection of Human Rights.

Group medical insurance

Uniform



Subsidized canteen

Flexible timings

Work from home

Special leave

Loans and advances

Bonus/exgratia

## Prevention of child labour

Our organization strictly follows 'no child labour' in accordance with applicable laws. The 'no child labour' policy at Sarda Energy reaffirms our commitment to ILO Convention No. 182 and the United Nations Convention on the Rights of the Child. As part of our hiring process, all prospective employees must provide age verification documentation along with their job application. Any applicants under the age of 18 are automatically disqualified. This policy applies to contract labourers as well. Additionally, we ensure that our suppliers and service providers adhere to regulations prohibiting child labour, with specific clauses included in our contracts to enforce this requirement. Our operations and suppliers are carefully monitored to prevent the risk of child labour or the exposure of young employees to unsafe working conditions.

## Creating an empowered workforce

We are proud to maintain a workforce that blends technical proficiency with regional engagement. Our employment structure reflects stability, inclusive hiring, and a strong local footprint that supports community upliftment.

We promote equal opportunity and fair employment practices across all units. Every employee is offered a platform to grow, guided by structured roles, clear expectations, and professional integrity.

- Total workforce strength in FY25 stood at 4,990 individuals, including 1,498 permanent employees and 3,492 workers.
- 95% of our workforce is based in Chhattisgarh, driving direct regional employment.

## Building capability, one skill at a time

Learning is not an event at SEML it is a journey. Our people are equipped with the tools and knowledge to grow with the business. Through structured training sessions, safety workshops, and skill-based learning modules, we ensure our teams stay relevant, agile, and ready for future demands.

The focus on capability building at SEML extends across all levels ranging from technical training for shopfloor workers to safety drills and leadership assessments for senior personnel. During the year, employees and workers underwent comprehensive Health & Safety training, ensuring preparedness and operational vigilance.

**60%**

Workers upskilled in function and technical areas

## Benefits that go Beyond the pay-cheque

Our relationship with employees extends beyond their immediate roles. We offer a bouquet of social security and retirement benefits that provide long-term assurance and peace of mind. Whether it is provident funds, gratuity, or superannuation, each benefit is structured to foster loyalty and reflect our commitment to employee welfare through every phase of their professional journey.

## Performance with accountability

At SEML, every employee is given a voice, and every performance is valued. We have implemented a fair and robust performance management system that promotes transparency, rewards outcomes, and identifies future leaders. Through structured appraisals and regular feedback mechanisms, we foster a culture of responsibility and forward momentum. During the year, 97.73% of employees and 95.57% of workers were covered under formal performance reviews.

**6.03%**
Attrition rate

## Inclusion with purpose

We understand that diversity isn't just about representation, it's about belonging. Our hiring and engagement practices are designed to create a workplace where everyone, regardless of gender or ability, is respected and supported.

Female participation is steadily rising, especially across operational and entry-level roles. While industrial constraints persist, we are committed to opening more avenues for women and differently-abled individuals through inclusive job roles and facility accessibility. Women constituted more than 3% of our total workforce in FY25, serving at various positions including managerial positions reflecting our steady steps toward gender inclusion. Additionally, 13 persons with disabilities have been meaningfully integrated across various roles, reinforcing our commitment to building an inclusive and accessible workplace for all.

## Commitment to health, safety & wellbeing

At SEML, safeguarding the health and safety of our workforce is not just a compliance measure - it is a core value. We adopt a zero-compromise approach backed by routine audits, targeted training sessions, and proactive wellness initiatives. All employees and workers are covered under comprehensive health insurance and personal accident policies, while our operational sites undergo regular safety inspections to ensure industry-leading standards. During the year, we invested in various areas of employee wellbeing, reflecting our unwavering commitment to a safe and supportive work environment.

**0**
LTIR

# Stakeholders Capital

At SEML, our success is built not in isolation but through deep, dynamic partnerships with stakeholders who energize our ecosystem ranging from suppliers, customers, and regulators to lenders and community partners. Each relationship is driven by trust, responsibility, and the ambition to build sustainable value. As we expand across steel, power, and mining, our stakeholder engagement remains rooted in mutual growth, transparency, and long-term commitment.

## Partnering with our suppliers

Suppliers hold key position in our value chain, enabling smooth operations across our operations. Our supplier relationships are guided by principles of fairness, transparency, and long-term association.

We work closely with partners across raw material procurement, logistics, and equipment, ensuring consistent adherence to quality standards, environmental practices, and ethical sourcing.

**95%**
Procurement domestically

## Building lasting customer relationships

Our customers drive our purpose. SEML serves a diverse clientele across our products value chain. We believe in offering not just products, but value-added, reliable solutions backed by consistent quality and responsive service. From power buyers in energy trading exchanges to industrial clients in core sectors, our reach has grown steadily in India and beyond. Our future-ready product mix ensures that we evolve with the needs of our customers.

**88%**
Revenue generated domestically

## Responsible engagement with regulators

At SEML, regulatory alignment goes beyond compliance. It is an ongoing commitment to responsible and forward-looking operations. We actively collaborate with statutory bodies to shape industry practices that are safer, greener, and more efficient. Our facilities are routinely evaluated through internal reviews and third-party audits, ensuring full adherence to environmental, labor, and safety norms. Notably, all our manufacturing units are certified under leading environmental and energy standards, reflecting our unwavering focus on operational excellence and sustainability. Our commitment to financial prudence is equally recognized. During the year, CRISIL reaffirmed our credit ratings at AA-/Stable/ A1+ for the parent company and A/Stable/A1 for the subsidiary thereby validating our consistent performance, robust governance, and sound risk management practices.

## Trusted by our lenders

Our capital strength is reinforced by the confidence of our financial partners. SEML maintains strong, transparent relationships with banks and financial institutions that support our strategic ambitions from capacity expansions to renewable investments. We ensure regular engagement through reviews, disclosures, and performance updates, helping us maintain financial discipline and credibility.

**12.03x**
Interest coverage

## Sharing success with community

At SEML, we see ourselves not just as industrial contributors, but as social catalysts. Our CSR journey is rooted in creating opportunities, enabling livelihoods, and enhancing the quality of life for communities around us. Every intervention is designed to make a measurable impact by bridging gaps in access, equity, and infrastructure.

### Collaborating for greater impact

To maximize reach and relevance, SEML partners with credible NGOs, Panchayats, district administrations, and local institutions. Our programs are aligned with the best practices and tailored to regional development priorities. Impact measurement, audit trails, and stakeholder dialogues are an ongoing part of our CSR governance.

### Empowering through education

Education fuels transformation. Our efforts focus on reducing dropout rates, supporting school infrastructure, and enabling digital and classroom learning in rural and tribal areas. Vocational support for youth and scholarships for deserving students are part of our broader effort to nurture future-ready citizens.

### Enabling better healthcare

In regions where medical infrastructure is limited, SEML steps in with mobile health units, medical camps, maternal health support, and distribution of basic medicines. We also facilitate awareness drives around hygiene, nutrition, and preventive care to improve community wellness.

### Investing in infrastructure & livelihoods

From building internal village roads to installing solar streetlights and water tanks, SEML's infrastructure support touches the everyday lives of people. In parallel, we empower individuals through livelihood training, micro-enterprise promotion, and self-help group development particularly targeting rural women and unemployed youth.

### Fostering environmental responsibility

Environmental preservation is deeply integrated into our CSR vision. Our programs focus on afforestation, water conservation, and environmental awareness campaigns involving community participation. These initiatives aim to create green cover, conserve resources, and promote climate-resilient communities.

SARDA
सिलाई प्रशिक्षण कार्यक्रम
ग्राम - लिलतरा
सारडा एनर्जी एण्ड मिनरल्स लिमिटेड

SARDA
सारडा एनर्जी एण्ड मिनरल्स लिमिटेड

SARDA
विजन एक्सप्रेस

NACO
SARDA
विश्व एड्स दिवस के अवसर पर
दिनांक:- 01-12-2024
महिला जागरूकता सम्मलेन
समर्थन सेंटर फॉर डेवलपमेंट सपोर्ट, रायपुर
सारडा एनर्जी एंड मिनरल्स लिमिटेड

# Corporate Information

## Board of Directors

Mr. Kamal Kishore Sarda, Chairman
Mr. Pankaj Sarda, Managing Director
Mr. Padam Kumar Jain, Wholetime Director & Chief Financial Officer
Mr. Anant Sarda, Non-Executive Non-Independent Director
Mr. Amal Kumar Debnath, Independent Director
Mr. Binoy Parikh, Independent Director
Mr. Rajeev Sharma, Independent Director
Ms. Tripti Sinha, Independent Director
Mr. Upendra Prasad Singh, Independent Director

## Company Secretary

Mr. Manish Sethi

## Auditors

### Statutory Auditors

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

### Cost Auditors

S.N. & Co.
Cost & Management Accountants
Office No. 701 & 712
7th Floor, Orange Hive
Mowa, Vidhansabha Road
Raipur (C.G.) - 492005

### Secretarial Auditors

S. G. Kankani & Associates
Company Secretaries
Office No. 701 & 712
7th Floor, Orange Hive
Mowa, Vidhansabha Road
Raipur (C.G.) - 492005

### Internal Auditors

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

## Bankers

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

## Registered Office

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

## Works

### Raipur

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

### Raigarh

Kharsia, Vill Badejampali
Binjkot, Kharsia, Raigarh, (C.G.)

## Mumbai Office

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

## Delhi Office

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

### Visakhapatnam Office

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

### Hongkong Office

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

### Singapore Office

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

### Dubai Office

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

### Registrar & Share Transfer Agents

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

# Directors' Report

Dear Shareholders,

Your directors take pleasure in presenting the 52nd Annual Report on business and operations of the Company for the financial year ended 31st March 2025 a period that underscores our commitment to operational excellence, strategic growth, and sustainable practices.

## Results of Operations

(₹ in crore)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Revenue from operations | 3,484 | 2,733 | 4,643 | 3,868 |
| Exports | 105 | 125 | 851 | 911 |
| Other Income | 120 | 185 | 172 | 184 |
| EBIDTA | 1076 | 699 | 1410 | 982 |
| Depreciation | 150 | 64 | 272 | 183 |
| Finance cost | 97 | 18 | 220 | 128 |
| Profit before tax | 829 | 617 | 918 | 671 |
| Provision for tax | 221 | 151 | 237 | 159 |
| Net Profit | 608 | 466 | 681 | 509 |

## Acquisition of SKS Power Generation (Chhattisgarh) Limited

During the year we acquired and amalgamated **SKS Power Generation (Chhattisgarh) Limited (SKS)** through Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code 2016 consequent to the approval of company's Resolution Plan by the National Company Law Tribunal (NCLT). SKS was having an operating 2*300 MW thermal power plant with basic infrastructure for additional 600 MW plant in Raigarh district of Chhattisgarh near our coal mines. The acquisition was completed on 21st August 2024. The financial statements for the year ended 31st March 2025 include the figures of SKS w.e.f. 22nd August 2024 and as such the current year figures are not comparable with previous year figures.

Post-acquisition, we have taken various steps in Sept.-Oct- 24 for efficiency improvement and sustained performance, which is reflected in improved generation from 1540.08 Mn Kwh (Apr-Aug 24) to 1723.60 Mn Kwh (Nov-Mar 25). In the first quarter of current year, we have achieved PLF of above 90%.

Approval of our Resolution Plan has been challenged by unsuccessful Resolution Applicants before the hon'ble Supreme Court, following rejection of their appeal by the NCLAT.

## Review of Performance

Our facilities at the Raipur location, encompassing iron ore pellet, sponge iron, power, and eco-brick plants, demonstrated excellent performance by surpassing both the previous year's production levels and their respective annual production targets. This achievement is a testament to the dedication and efficiency of our teams. To maximize profitability, the Company strategically sold 33.32 MU of power through the Indian Energy Exchange (IEX). While this strategic decision affected steel and ferro alloys production, it positively contributed to the company's profitability.

We remain steadfast in our pursuit of excellence in the mining, metal and energy sectors through continuous system upgrades, increased mechanization, and vigilant tracking of industrial trends. Our proactive adoption of the latest developments and responsiveness to industrial changes ensure we remain at the forefront of the industry.

To sustain and enhance output, we continuously invest in modernization and upgradation of our production facilities. During the year under review, we undertook several major modifications and improvements. These include:

- **Producing Gas Plant capacity (PGP) Enhancement:** Installation of an additional module in the PGP to reduce pollution and decrease dependency on high-grade coal /oil.
- **Continuous Casting Machine (CCM) Modification:** to produce larger size and length Billets (125mm x 125mm billets of 8 to 9 meters).

# Directors' Report

- **Wire Rod Mill Upgradation:** Enhancements to the Wire Rod Mill to hot roll the larger billets, significantly improving yield and enabling the production of 1 MT single coils.
- **Ferroalloys Furnace Modernization:** Comprehensive upgradation of Ferroalloys furnaces for improved gas evacuation and enhanced power utilization.
- **Gas Cleaning Plant capacity enhancement:** Installation of an additional Gas Cleaning Plant for cleaner operation.
- **Replacement of old TG Set for Power Generation Efficiency:** A significant project has been initiated to replace existing aged power generation turbine and generator set with efficient machines from BHEL, ensuring reliable and optimized power production.

## Projects under execution

### 50 MW Solar power project

The project is in final stage of installation and we expect to commission the project any time in the next financial year. The project got delayed due to problems at the end of the EPC contractor, Gensol Engineering Limited. This project highlights our commitment to incorporating sustainable energy solutions into our operations.

### Sahapur Underground Coalmine project (MP)

We have received consent to operate for opening of the mine and construction of incline. Work has been started for development of the mine and we expect to start coal production by end of next financial year. This mine will meet our requirement of high grade coal.

### Gare Palma IV/5 Coal Mine Project (CG)

The Company was declared successful bidder for the the mine. This is an existing operating mine which was previously operated by Hindalco Industries Limited. Due to change in boundaries of the mine we have to go for fresh approvals. We have got 51 months' time to start the mine and we are hopeful of starting production before scheduled time.

### Bartunga Hill Coal Mining Project (JV)

A Joint Venture led by us with 67% share has won Bartunga Hill Underground Coal Mine of South Eastern Coal Fields Limited (SECL) as mine operator, on revenue sharing basis, for Re-opening, Salvaging, Rehabilitation, Development and Operation in the state of Chhattisgarh. The consortium was declared successful bidder for operation of the coal mine on revenue sharing basis. 18% of the revenue net of taxes shall be retained by South Eastern Coal Fields Limited (SECL). The contract agreement between the JV Company BCPL and SECL has been executed and other activities are progressing as planned.

### Surjagarh-1 Iron Ore Mining Project (JV)

Our joint venture company Natural Resources Energy Private Limited has been declared successful Bidder for Surjagarh-1 iron ore block in Gadchiroli District of Maharashtra. The Iron ore mining project is in the approval stage. Prospecting work will be started after we get necessary approvals and forest clearance.

### 24.90 MW Kotaiveera SHP

A 25 MW small hydro power project will be installed on IB river (a Tributary of Mahanadi river) in Chhattisgarh. The project is in final stage of approvals and we expect to start work on the project before end of current financial year.

## Change in Business

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

## Dividend

The Board, subject to approval of shareholders, has recommended dividend @ ₹ 1.50 per share (150%) for the F.Y. 2024-25, subject to the deduction of tax at applicable rate. The dividend shall result in cash outflow of ₹ 52.86 crore. Last year, the Company had paid divided @ ₹ 1.00 per share.

The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy. The dividend will be paid out of the profits for the year.

During the current year 2024-25, the Company has further transferred unpaid dividend of ₹ 12.63 lakh in respect of F.Y. 2016-17 to the Investor Education and Protection Fund. The dividend for FY 2023-24, on equity shares transferred to IEPF, has also been remitted to IEPF.

# Directors' Report

## Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2024-25 in the statement of profit and loss. Accordingly, no amount has been transferred to reserves.

## Subsidiaries / Joint Ventures

During the year additional investment was made in Sarda Global Trading DMCC, Chhattisgarh Hydro Power LLP and Bartunga Coal Private Limited in its capacity as Promoter of those entities for meeting the fund requirements for their business activities.

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

## Subsidiaries

- **Sarda Metals & Alloys Limited (SMAL),** a wholly owned subsidiary is operating 102 MVA Ferro Alloys Furnaces backed by 80 MW captive thermal power plant near Vizag port to cater mainly to export market. The Company is recognized as a Three Star Export House and holds a long term rating of A(Stable) and short-term rating of A1 from CRISIL.

  During the year, Power Generation was 573.06 MU as compared to 626.45 MU in the previous year. The ferro alloys production stood at 1,02,158 MTs as against 1,14,412 MTs (silico and ferro manganese) in the previous year. Company was able to achieve PLF of 81.77% against PLF of 89.15% in previous year.

  During the FY 2024-25, the company exported 99,556 MTs (including trading export of 20 MTs) ferro alloys valued ₹ 802.01 crore against 1,03,534 MTs (including trading export of 878 MTs) in the previous year valued ₹ 785.42 crore. The company has reported a net profit of ₹ 6.33 Crore as against ₹ 10.66 crore in the previous year. Operational performance remained broadly in line with the previous year. The Company has derecognized the Deferred Tax Asset to the extent of ₹ 4.94 Crore for the financial year 24-25 which was recognized in earlier years on indexation on Land, as the benefit of the same is no longer available with the advent of amendments made vide Finance No 2 Act of 2024.

  The Company has successfully completed the project for manufacturing Mineral Fibre at its existing facility at Vizianagaram and commenced the production at the end of March 2025.

- **Sarda Energy Limited (SEL),** a wholly owned subsidiary earned a net profit of ₹ 3.81 crore as against net profit of ₹ 3.88 crore in the previous year. The profit was mainly from share of profit from investment in Chhattisgarh Hydro Power LLP.

- **Kalyani Coal Mining Private Limited (KCMPL),** a wholly owned subsidiary has been incorporated in financial year 2023-24 as a Special Purpose Vehicle for carrying out the Re-opening, Salvaging, Rehabilitation, Development and Operation of Kalyani Underground Coal Mine, in the state of Chhattisgarh. However, on account of overlapping boundaries of two mines and resultant DGPS survey, revised DPR was prepared. As per the revised DPR, the project is not viable and hence it is proposed to surrender the Mine. Necessary steps are being taken in this direction.

  During the year under review, the company earned a profit of ₹ 0.51 crore as against profit of ₹ 0.69 crore in the previous year. The revenue earned was on account of interest on loan advanced.

- **Chhattisgarh Hydro Power LLP (CHPLLP),** a wholly owned subsidiary, is successfully operating 24 MW Gullu Small Hydro Electric Project (SHP) since last eight years.

  It has completed construction of its second hydro power plant named 24.90 MW Rehar-I SHP. The Plant is under trail run stage and shall commence commercial operations shortly. Two more small hydro power projects are under different stage of clearances.

  CHPLLP enjoys credit rating A (Stable) from ICRA.

  During the FY 2024-25, Gullu SHP has generated and supplied 90.11 MU units (PY 72.45 MU units). It has earned post tax profit of ₹ 29.23 crore (PY ₹ 20.46 crore). The improvement in performance is attributable to good monsoon in the catchment area during the year under review.

- **Parvatiya Power Limited (PPL)** is operating 4.8 MW Loharkhet Hydro Power project in Bageshwar district of Uttarakhand since 2008.

  The Plant enjoys debt free operations. It has demonstrated consistent performance and healthy operations despite its remote location in difficult hilly terrain of Kumaon region of Uttarakhand.

# Directors' Report

The company has supplied 20.37 MU power in the FY 2024-25 (Previous Year 13.28 MU) to the state grid. The performance in the previous financial year was impacted because of damage to low pressure pipeline due to landslide. The Plant swiftly resumed operations. During the year 2024-25, the company has reported EBIDTA of ₹ 4.66 crore (PY ₹ 2.43 crore) and net loss of ₹ 0.42 crore (PY loss ₹ 1.23 crore).

Your Company continues to hold 51% stake in PPL.

- **Madhya Bharat Power Corporation Limited (MBPCL)** is operating 113 MW Rongni Chu HEP in Sikkim. The company enjoys A+(Stable) rating from India Ratings & Research and A (Stable) from CARE Ratings.

  The company has billed 367.17 MU (PY 367.25 MU) of power in the F.Y 2024-25 and reported revenue from sale of power of ₹ 246.01 crore (PY ₹ 260.82 crore). Based on provisional tariff, it has earned post tax profit of ₹ 16.36 crore (PY ₹ 11.98 crore). The determination of final tariff is in process.

  The Company holds 84.65% stake in the company (76.43% directly and 8.22% through its wholly owned subsidiary Sarda Energy Limited).

- **Sarda Hydro Power LLP (SHP LLP)** has licenses for implementation of two small hydro projects. Survey works for 24.90 MW Kotaiveera SHP is under progress.

  The Company holds 60% stake in the LLP.

- **Sarda Energy & Minerals Hongkong Limited, Hongkong (SEMHKL),** is a wholly owned subsidiary, functioning as global investment and trading arm of the Company. During the year under review, the subsidiary reported a net profit of ₹ 21.93 crore as against profit of ₹ 28.78 crore in the previous year.

- **Sarda Global Venture Pte. Limited, Singapore (SGV),** a wholly owned subsidiary, is having JV with PT Unggul Jaya Indonesia, an Indorama group company, for coal mining in Indonesia under the name P.T. Tigadaya Minergy (TDM). During the year under review 892,239 MT (PY 557,807 MT) coal was extracted from the Mine.

  The subsidiary reported a net profit of ₹ 34.96 crore as against net profit of ₹ 13.10 crore in the previous year.

- **Sarda Global Trading DMCC, Dubai (SGT),** a wholly owned subsidiary, has been incorporated with the object of trading in metal ores, scrap and coal. During the year the subsidiary reported a net profit of ₹ 8.02 crore as against net loss of ₹ 5.38 crore in the previous year.

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

### Joint Venture

- **Bartunga Coal Private Limited (BCPL),** This company has been incorporated as a special Purpose Vehicle Joint Venture (Company's share in JV 67%) for Re-opening, Salvaging, Rehabilitation, Development and Operation of Bartunga Hill Underground Coal Mine, in the state of Chhattisgarh. The contract agreement between BCPL and SECL has been executed and other activities are progressing as planned. During the year under review, the company earned a profit of ₹ 1.48 crore by way of interest on lending of surplus equity pending utilization for the project.

- **Natural Resources Energy Private Limited (NREPL)** is a Joint Venture with Shyam Metalics group for Surjagarh-1 iron ore mine in the State of Maharashtra. The Company holds 51% stake in NREPL. The mine is under approval stage. Application for prior approval for Exploration and survey has been submitted for grant of Stage -1 & Stage- II forest clearance.

- **Raipur Infrastructure Company Limited (RICL)** is a dormant Joint venture company where we hold 1/3rd share. It was operating a leased Railway Siding in Mandhar, Raipur. The lease has expired. The company will be wound-up after closure of pending proceedings and getting refunds from the tax authorities. During the year 2024-25 the company earned interest income of ₹ 1.02 crore and total comprehensive income of ₹ 1.05 crore as against comprehensive loss of ₹ 3.05 crore in the previous year.

- **Madanpur South Coal Company Limited (MSCCL)** was incorporated as a Joint Venture Special Purpose Vehicle for development of Madanpur South Coal Block allotted in consortium. The Supreme Court had cancelled all coal block allotments. Consequent

# Directors' Report

to cancellation of coal block, there is no business left out in the company. We hold 20.63% share in the JV. During the year 2024-25, MSCCL reported comprehensive income of ₹ 0.34 crore as against ₹ 0.07 crore in the previous year.

At present the Company is having land of about 71.220 Hectares. MSCCL would be wound-up after disposal of the land.

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.

### Consolidated financial statements

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

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

### Directors

In the last Annual General Meeting, the members approved

a) re-appointment of Mr. Kamal Kishore Sarda, as Chairman & Managing Director for a further period of 5 years w.e.f. 1st April 2025; and

b) re-appointment of Mr. Pankaj Sarda, as Director liable to retire by rotation.

Further, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the members of the Company through Postal Ballot, in the manner required, have approved, w.e.f. 1st April 2025, the appointment of:

a) Mr. Kamal Kishore Sarda (DIN: 00008170) as Executive Chairman for a period of five years, not liable to retire by rotation;

b) Mr. Pankaj Sarda (DIN: 00008190) as Managing Director for a period of five years, liable to retire by rotation; and

c) Mr. Anant Sarda (DIN: 07908187) as Non- Executive Non-Independent, Promoter Director, liable to retire by rotation

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

Further, on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company, in its meeting held on 2nd August 2025, subject to the consent of the members of the Company, has-

a) appointed Ms. Tripti Sinha as Independent Director on the Board for the second term of five years w.e.f. 20th October 2025.

b) re-appointed Mr. Padam Kumar Jain as Wholetime Director of the Company for a period of five years w.e.f. 1st June 2026, liable to retire by rotation. Mr. Padam Kumar Jain shall also continue to hold the office of CFO.

Necessary resolutions for the above appointment/ re-appointment are being made a part of the Notice convening the ensuing general meeting. Brief profile of Ms. Tripti Sinha and Mr. Padam Kumar Jain, who are proposed to be appointed / re-appointed and other relevant details are provided in the Corporate Governance Report forming part of the Annual Report.

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

a) he/she meets the criteria of Independence as laid out in Section 149(6) of the Companies Act, 2013 read with the Schedules, rules made there under and Regulation 25 of SEBI Listing Regulations, 2015; and

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

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

# Directors' Report

## Board Evaluation

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

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

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

## Remuneration Policy for the Board and Senior Management

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

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

## Familiarization programmes for Board Members

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

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

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

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

## Directors' Responsibility Statement

The directors state that:

a) in the preparation of the annual accounts for the year ended 31st March 2025, 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 2025 and of the profit of the Company for the year ended on that date;

# Directors' Report

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Key Managerial Personnel

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

### Auditors and Auditors' Report

### Statutory Auditors

Based on the recommendation of the Audit Committee and approval of the Board of Directors, at the Annual General Meeting (AGM) for the financial year 2023-24 held on 26th September 2024, M/s. Singhi & Co., Chartered Accountants, having Firm Registration No. 302049E were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 56th AGM to be held in the calendar year 2029.

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 2023-24 has been filed with the Ministry of Corporate Affairs. M/s. S.N. & Co., Cost and Management Accountants, were appointed as the Company's Cost Auditor.

The Board of Directors has, on the recommendation of the Audit Committee, appointed M/s. S.N. & Co., Cost and Management Accountants, to audit the cost accounts of the Company on a remuneration not exceeding ₹ 2.50 lakh plus applicable taxes and out of pocket expenses for the year 2025-26. As required under the provisions of Companies Act, 2013, the remuneration payable to the Cost Auditors for 2025-26 is being placed before the members in the ensuing annual general meeting for approval.

### Secretarial Auditor

The Board has appointed M/s. S.G. Kankani & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report for the financial year ended 31st March 2025 is annexed herewith marked as **Annexure D** to this Report.

The Board of Directors of the Company ("the Board"), at its meeting held on 24th May 2025, has considering the experience and expertise and on the recommendation of the Audit Committee, have recommended to the Members of the Company for appointment of M/s. S.G. Kankani & Associates, Company Secretaries (Registration No. P1998CG012600), as the Secretarial Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 52nd Annual General Meeting (AGM) scheduled to be held on September 25, 2025, through the conclusion of 57th AGM of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY 2025-26 through FY 2029-30.

The above proposal and related information forms part of the Notice of the AGM and is placed for your approval.

Further, in terms of requirement of regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report, for the financial year ended 31st March 2025, in respect of Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited, the material subsidiaries of the Company, is annexed to this report, marked as **Annexure E** and **Annexure F** respectively.

### Corporate Social Responsibility (CSR)

With the objective of sustainable development and continual improvement, the Company adopts a voluntary and proactive approach to CSR to connect with the society by creating a sense of belonging. The

# Directors' Report

Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through initiatives in the areas of Health, Education, Art, Culture & Heritage, Rural development etc. The Company strives for sustainable development programs in partnership with the community.

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. The Company's focus has been upliftment of underprivileged in the society by providing quality education, training and healthcare. The Company also supports the NGOs working for such cause. During the year, the Company's spending on CSR has been more than the statutorily required.

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

### Corporate Governance

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

### Business Responsibility & Sustainability Report

The Company is committed to pursue its business objectives sustainably, ethically, transparently and with accountability to all its stakeholders. The Company believes in ensuring environmental well-being with a long-term perspective as well as demonstrating responsible behaviour while adding value to the society and the community. In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report is made a part of annual report.

### Disclosures

### Board/Committees/Vigil Mechanism

The details of the composition of Board of Directors, Corporate Social Responsibility Committee, Audit Committee, other committees of the Board, meetings of the board and committees and attendance of directors at the Board and committee meetings and implementation of Vigil Mechanism are given in the Corporate Governance Report forming part of Annual Report.

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

Particulars of loans given, investments made and guarantees given are given in note no. 3, 4, 7, 11(a), 37, 55 and 56 to the standalone financial statements. The Company, in its capacity of promoter, has pledged shares of Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited with the lenders of respective companies for loans granted to them by the lenders. The details of pledged shares are given as part of the financial statements. The loans and the guarantees given are utilized by the recipients for their business purposes. Members are requested to refer the notes for details, which are not repeated here for the sake of brevity.

### Contracts and Arrangements with Related Parties

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

The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act. Also, there were no material related party contracts entered into by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for financial year 2024-25 and hence does not form part of this report. Details of related party transactions entered into by the Company, in terms of IndAS 24 have been disclosed in the notes to the standalone and consolidated financial statements forming part of this Report.

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

### 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

# Directors' Report

observed. During the current year the company also got its internal financial controls reviewed by independent professional experts. No material weakness has been reported by the experts.

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

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

### Annual Return

The Annual Return of the Company as on 31st March 2025 is available at Annual Return

### Particulars of Employees and related disclosures

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

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

### Risk Management

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

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

### General

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

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

The directors further confirm that -

a) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;

b) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

c) The Company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records are made and maintained;

d) The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively;

e) Under the Insolvency and Bankruptcy Code 2016, no applications were made during the financial year 2024-25 by or against the Company and there are no proceedings pending at the end of the financial year.

f) The Company has not made any one-time settlement with any of its lenders.

g) The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

h) The Company has complied with provisions relating to the Maternity Benefit Act, 1961

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

# Directors' Report

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

## Acknowledgement

The Board thanks the customers, vendors, investors, business associates and bankers for their continued support during the year. The Board places on record its appreciation of the contribution made by employees at all levels. The Company's resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

The Board thanks the Government of India and the State Governments where Company has its operations and other regulatory authorities and government agencies for their support and looks forward to their continued support in the future.

**On behalf of the Board of Directors**

**(K.K. Sarda)**
*Chairman*
DIN: 00008170

Raipur
2nd August 2025

# Annexure 'A' to the Directors' Report

### Key Evaluation Criteria for evaluation of the Board, its Committees and members

The NRC shall evaluate the performance of the Board, individual directors, Chairperson and the committees of the Board and update the same to the Board. The NRC shall be guided by the following in arriving at its findings:

### Evaluation of Board (applicable to Committees also, with required changes)

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

### Evaluation of Independent Directors

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

### Evaluation of Non-Independent Directors

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

# Annexure 'B' to the Directors' Report

## Remuneration Policy

### I. Preamble

As per the requirements of Companies Act 2013 and the SEBI Listing Regulations 2015 (as amended from time to time), 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.

### II. Objective

The objectives of the Policy shall be to:

1. attract, retain, motivate, promote talent, improve productivity and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
2. inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits to employees at all levels.
3. 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 Personnel 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 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 shall be in terms of the approval of the Shareholders in the case of Whole-time Director.

d. Where any insurance is taken by the Company for its Whole-time Director, Key Managerial Personnel and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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

e. Leaves

The employees, including directors where applicable, shall be eligible for casual leaves, earned leaves and maternity leaves as per Company's 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

# Annexure 'B' to the Directors' Report

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. Suitable Rules shall be framed for the purpose 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. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or

ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

e. 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 act or where required by the Central Government.

f. 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 / Profit - related Commission

Profit-related commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profits of the Company as per the Applicable Laws. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a

# Annexure 'B' to the Directors' Report

single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

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 under any applicable law for the time being.

c. 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 Personnel

a. The remuneration to Key Managerial Personnel and Senior Management Personnel 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 Personnel.

c. The Fixed pay shall include monthly remuneration, employer's contribution to superannuation fund, Provident Fund, contribution to pension fund, pension schemes, allowances, bonus, etc. as decided from to time, for which Rules shall be framed.

d. The Incentive pay, if any, shall be decided based on the performance of the Company and the performance of the Key Managerial Personnel and Senior Management Personnel, 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, variable pay 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 Chairman /Managing Director/Jt. Managing Director or any other personnel to whom such authority is delegated.

## 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 Personnel 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, Key Management Personnel and Senior Management Personnel.

## VI. Implementation

1. The Committee may issue guidelines,

# Annexure 'B' to the Directors' Report

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**

i) 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.

ii) In the event of any conflict between the provisions of this Policy and any statutory enactments/rules, the provisions of such statutory enactments/rules shall prevail over this policy and automatically be applicable and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the statutory requirements.

**VIII. Effective Date**

This revised policy shall be effective w.e.f. 1st April 2025.

**IX. 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 in the Listing Regulations.

# Annexure 'C' to the Directors' Report

**Criteria for determining Qualifications, Positive Attributes, and Independence of a Director**

### Qualifications

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

### Positive attributes

- compliance with duties as provided in the Companies Act, 2013.
- possessing highest standards of ethical and moral qualities, strong interpersonal and communication skills and soundness of judgment as are considered eligible for the position.
- 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.
- exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 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 2025

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR 2024-25**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sarda Energy & Minerals Limited** having CIN: L27100MH1973PLC016617 (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, 2025:

- complied with the statutory provisions listed hereunder; and
- 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, 2025 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

d) Securities and Exchange Board of India (Depositories and Participant) Regulation 2018;

(vi) Other laws applicable specifically to the Company namely:

a) Mines Act, 1952 and the rules made thereunder;

b) Mines & Minerals (Development & Regulation) Act, 1957 and the rules made thereunder;

c) Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 and the rules made thereunder;

d) Explosives Act, 1884 and the rules made thereunder

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. The Listing Agreement(s) entered into by the Company with Stock Exchange(s)

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

# Annexure 'D' to the Directors' Report

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

a) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

requiring compliance thereof by the Company during the Financial Year.

**We further report that**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. Further, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors of the Board Meetings/ Committee meetings, agenda along with detailed notes thereon were sent as per the provisions of the Act
- A system existed for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views that need to be recorded.

We further report that based on the review of the Compliance mechanism established by the Company, we are of the opinion 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 M/s. SKS Power Generation (Chhattisgarh) Limited which was under CIRP, amalgamated with the Company w.e.f. 1st September 2024, pursuant to Order dt. 13th August, 2024 of Hon'ble National Company Law Tribunal, Mumbai Bench. Except the above, there were no specific events/ actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

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

For, **S.G. KANKANI & ASSOCIATES**
*COMPANY SECRETARIES*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000888387

Place: Raipur (C.G.)
Date: 29th July, 2025

# Annexure 'D' to the Directors' Report

**'ANNEXURE-A'**

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

**Auditor's Responsibility**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

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

For, **S.G. KANKANI & ASSOCIATES**
*COMPANY SECRETARIES*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000888387

Place: Raipur (C.G.)
Date: 29th July, 2025

# Annexure 'E' to the Directors' Report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended 31st March 2025

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025**

[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 – 400021 (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** having CIN: U51420MH2008PLC187689 (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 Company's 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 2025:

- complied with the statutory provisions listed hereunder; and
- 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 2025 according to 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; **(Not applicable as there was no reportable event during the financial year under review)**

(iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable as there was no reportable event during the financial year under review)**

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Not applicable as there was no reportable event during the financial year under review)**

(vi) Other laws applicable specifically to the Company as per the representation made by the Company;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s), if any **(Not applicable as there was no reportable event during the financial year under review)**

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act,

# Annexure 'E' to the Directors' Report

- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting, and
- 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 based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion 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*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000855596

Place: Raipur (C.G.)
Date: 24th July, 2025

# Annexure 'E' to the Directors' Report

**'ANNEXURE-A'**

**To,**
**The Members**
**M/s Sarda Metals & Alloys Limited**
**(CIN: U51420MH2008PLC187689)**
**125, B-Wing, Mittal Court**
**Nariman Point, Mumbai – 400021 (MH)**

**Auditor's Responsibility**

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

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

For, **S.G. KANKANI & ASSOCIATES**
*COMPANY SECRETARIES*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000855596

Place: Raipur (C.G.)
Date: 24th July, 2025

# Annexure 'F' to the Directors' Report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended 31st March 2025

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2025**

[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: U74899CT1994PLC016237)**
**1st Floor, Vanijya Bhawan, Sai Nagar**
**Devendra Nagar Road, Raipur- 492001 (C.G.)**

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** having CIN: U74899CT1994PLC016237 (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 Company's 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 2025:

- complied with the statutory provisions listed hereunder; and
- 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 2025 according to 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) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable as there was no reportable event during the financial year under review)**

(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; **(Not applicable as there was no reportable event during the financial year under review)**

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Not applicable as there was no reportable event during the financial year under review)**

(vi) Other laws applicable specifically to the Company as per the representation made by the Company;

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s), if any **(Not applicable as there was no reportable event during the financial year under review)**

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. 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;
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Act;

# Annexure 'F' to the Directors' Report

- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting; and
- 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 based on the review of the compliance mechanism established by the company and on the basis of Compliance certificate(s) issued by various departments and taken on record by the Board of Directors at their meetings, we are of the opinion 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*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000885802

Place: Raipur (C.G.)
Date: 25th July, 2025

# Annexure 'F' to the Directors' Report

**'ANNEXURE-A'**

**To,**
**The Members**
**M/s Madhya Bharat Power Corporation Limited**
**(CIN: U74899CT1994PLC016237)**
**1st Floor, Vanijya Bhawan, Sai Nagar**
**Devendra Nagar Road, Raipur- 492001 (C.G.)**

Auditor's Responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

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

For, **S.G. KANKANI & ASSOCIATES**
*COMPANY SECRETARIES*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN:F010807G000885802

Place: Raipur (C.G.)
Date: 25th July, 2025

# Annexure 'G' to the Directors' Report

**Annual Report on CSR Activities**

| | | | |
|---|---|---|---|
| 1. | Brief outline on CSR Policy of the Company | : | CSR Policy of SEML ensures 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.<br><br>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.<br><br>The main objective of CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development for the society. It aims at supplementing the program of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. The focus areas under SEML CSR policy are Education, healthcare, sports, art & culture, rural development programmes, social business projects, etc. |
| 2 | Composition of CSR Committee | : | |

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Upendra Prasad Singh | Chairman / Independent Director | 2 | 2 |
| 2. | Mr. K.K. Sarda | Member / Chairman | 2 | 2 |
| 3. | Ms. Tripti Sinha | Member / Independent Director | 2 | 2 |

| | | | |
|---|---|---|---|
| 3. | Web-link on the website of the Company for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed. | : | CSR Committee<br>CSR Policy<br>CSR Report |
| 4. | Provide the executive summary along with weblink(s) of Impact Assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8, if applicable | : | Not Applicable |
| 5. | a. Average net profit of the Company as per section 135(5) of the Companies Act, 2013 | : | ₹ 753.82 crore |
| | b. Two percent of average net profit of the Company as per section 135(5) of the companies Act, 2013 | : | ₹ 15.08 crore |

# Annexure 'G' to the Directors' Report

| | | | |
|---|---|---|---|
| | c. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years : | NIL |
| | d. | Amount required to be set off for the financial year, if any : | NIL |
| | e. | Total CSR obligation for the financial year (5b+5c+ 5d) : | ₹ 15.08 crore |
| 6. | a. | Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : | ₹ 15.84 crore |
| | b. | Amount spent in administrative overheads : | ₹ 0.15 crore |
| | c. | Amount spent on Impact Assessment, if applicable : | NIL |
| | d. | Total amount spent for the financial Year (6a+6b+6c) : | ₹ 15.99 crore |
| | e. | CSR amount spent or unspent for the financial year : | |

| Total Amount Spent for the Financial Year. (in ₹ crore) | Amount Unspent (₹ lakh) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 15.99 | NIL | N.A. | N.A. | NIL | N.A. |

f. Excess amount for Set-off, if any :

| Sl. No. | Particular | Amount (in ₹ crore) |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per section 135(5) of the Companies Act | 15.08 |
| (ii) | Total amount spent for the Financial Year | 15.99 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.91 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)]* | 0.88 |

*Out of the excess amount spent in FY 2024-25, the company proposes to utilize a sum of ₹ 0.88 crore for succeeding Financial Year(s).

# Annexure 'G' to the Directors' Report

7. Details of Unspent CSR amount for the preceding three financial years :

| S. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹) | Amount Spent in the Financial Year (in ₹) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years (in ₹) | Deficiency, if any |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Date of Transfer | | |
| 1. | 2021-22 | NIL | NIL | NIL | NIL | NA | NIL | NIL |
| 2. | 2022-23 | | | | | | | |
| 3. | 2023-24 | | | | | | | |

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: **No**

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Companies Act, 2013 - **Not applicable**

Sd/-
**Kamal Kishore Sarda**
*(Chairman)*
*(DIN: 00000170)*

Sd/-
**Upendra Prasad Singh**
*(Chairman CSR Committee)*
*(DIN: 00354985)*

# Annexure 'H' to the Directors' Report

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

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

## A. Conservation of energy

| | | |
|---|---|---|
| i) | Steps taken or impact on conservation of energy. | **Pellet Plant**<br>• Replacement of HPSV lights with LED in Ball mill shed. Total energy saved 21,550 units in FY-25.<br>• Replacement of 37 kw negative suction pump with 11 KW Barge pump at Rain water harvesting pond. Total energy saved 134297 units in FY 25. |
| | | **Sponge Iron Plant**<br>• Energy saving through replacing the HPSV lights with LED in 2 x 500 TPD Coal Yard & 2 x 100 TPD RMHS High Mast Tower Light. Total energy saved 52876 units in FY-25.<br>• Energy saving through optimizing the Coal Conveyor belt No. 19 Motor Rating, from 45 KW to 37 KW. Total energy saved 23852 units in FY-25. |
| | | **Induction Furnace Division**<br>• Replacement of 22 kw x 2 nos scale pit pump and motor with 30 kw x 1 no motor. Total energy saved 84,000 units per year.<br>• Reduction of BP Oil consumption adopting process improvements and saved up to 3000 Kcal/MT. |
| | | **Power Plant**<br>• Replacement of diesel loader with EV-Loader and saved diesel @ 125 ltrs/ day.<br>• In IPP, 500 LED lights have been installed in place of sodium vapor lamp resulting in annual saving of 0.1752 million units |
| ii) | The steps taken by the Company for utilizing alternate sources of energy. | – |
| iii) | The capital investment on energy conservation equipment. | 70.82 Lakh |

## B. Technology absorption

| | | |
|---|---|---|
| i) | The efforts made towards technology absorption | **Induction Furnace Division**<br>• Installation of Air-oil lubrication system in CCM to avoid manual working as well as optimization of lubricant.<br>• Installation of hydraulic poker machine at F, G and H furnace to improve scrap charging method as well as it helps to clear slag jamming situation during melting. |
| | | **Wire Rod Mill**<br>• Modification of Wire Rod Mill for rolling of 125 Sq mm Billet.<br>• Air- Oil Lubrication system introduce for roll chock bearing lubrication to optimize the lubricant as well as improve the water quality. |

# Annexure 'H' to the Directors' Report

| | | |
|---|---|---|
| | | **Power Plant**<br>• Installation of Sulphuric acid dosing system to improve circulating water quality of cooling towers. |
| | | **Ferro Alloys Plant**<br>• In Furnace – A, secondary bus bar replaced with the bus tube system to improve load utilization<br>• Installed individual GCP for Furnace A |
| ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | **Induction Furnace Division**<br>• Air oil lubrication: Clean working area and cost benefits are achieved.<br>• Hydraulic Poker: Very helpful for safe operations of furnace. It also reduces the heat time by 5 mins. |
| | | **Wire Rod Mill**<br>• New product successfully developed in wire rod mill – 6 mm ribbed wire in coil form by inhouse modification in mill roll and cooling system to produce ribbed wire in coil form.<br>• Rolling of 125 Sq mm billet in Wire Rod Mill. |
| | | **IPP**<br>• Bottom ash system post cooler Mac belt purchased from within country instead of importing, resulting in savings of ₹ 1.68 crore. |
| 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 accounted for separately. |

### C. Foreign exchange earnings and outgo

| | |
|---|---|
| Total foreign exchange earnings and outgo (₹ in crore) | |
| a) Foreign exchange earnings | : 113.52 |
| b) Foreign exchange outgo | : 263.07 |

On **behalf of the Board of Directors**

**(K.K. Sarda)**
*Chairman*
DIN: 00008170

Raipur
2nd August 2025

# Annexure 'I' to the Directors' Report

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

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

**Details about top ten employees in terms of remuneration drawn**

| Name | Designation | Remuneration received (₹ in lakh) | Nature of employment, whether contractual or otherwise | Qualification | Total Experience | Date of commencement of employment | Age | Last employment held | Names of other directors related to the employee |
|---|---|---|---|---|---|---|---|---|---|
| Mr. Kamal Kishore Sarda | Chairman | 964.73 | Contractual | B.E. (Mech.) | 48 Years | 16.12.1978 | 73 Years | –– | Mr. Pankaj Sarda, Mr. Anant Sarda* |
| Mr. Pankaj Sarda | Managing Director | 820.97 | Contractual | BE(Ind. Engg.), MS(IA) | 21 Years | 01.04.2003 | 46 Years | ––- | Mr. K. K. Sarda, Mr. Anant Sarda* |
| Mr. Padam Kumar Jain | WTD & CFO | 222.71 | Permanent | CA, CS, B. Com | 38 Years | 12.04.1997 | 62 Years | Somaiya Organo Chem. Limited | –– |
| Mr. Nilay Joshi | Head - Corporate Finance | 73.39 | Permanent | MBA Finance | 19 Years | 11.03.2019 | 45 Years | RBL Bank Limited | –– |
| Mr. Rakesh Kumar | Plant Head | 70.00 | Permanent | BE (Mech.) | 42 Years | 01.04.2024 | 63 Years | Jindal Power Limited | |
| Mr. Anant Sarda* | President | 66.00 | Permanent | B.Sc. (Engineering), MBA | 7 Years | 01.08.2017 | 29 Years | –– | Mr. K.K. Sarda & Mr. Pankaj Sarda |
| Mr. Ramakrishna Rao Thota | President - Commercial | 61.12 | Permanent | CA | 31 Years | 20.02.2018 | 58 Years | East Coast Energy Pvt. Ltd. | |
| Mr. Sanjeev Agrawal | Plant Head | 60.72 | Permanent | B.E. (Mech.), PGDIM | 35 Years | 27.08.2007 | 61 Years | Torrent Power | –– |
| Mr. Manoj Kumar Shah | Head - CMO | 56.55 | Permanent | BE (Mechanical) | 30 Years | 20.07.1994 | 54 Years | –– | –– |
| Mr. Priyabrata Mukherjee | VP (Mines) | 47.16 | Permanent | DME, MBA, 1st Class Mines Manager | 26 Yrs | 10.06.2023 | 55 Years | Chowgule and Company Pvt. Ltd., Harbour | –– |

* Mr. Anant Sarda has been appointed Non-Executive Non-Independent Director w.e.f 01.04.2025

# Annexure 'I' to the Directors' Report

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

| **Name** | Mr. Kamal Kishore Sarda | Mr. Pankaj Sarda | Mr. Padam Kumar Jain |
|---|---|---|---|
| **Designation** | Chairman | Managing Director | Wholetime Director & Chief Financial Officer |
| **Remuneration received** | ₹ 964.73 lakh | ₹ 820.97 lakh | ₹ 222.71 lakh |
| **Nature of employment, whether contractual or otherwise** | Contractual | Contractual | Permanent |
| **Qualification and experience** | B.E. (Mech.) Nearly 49 years of Industrial experience | BE (Ind. Engg.), MS (IA) Nearly 22 years of Industrial experience | CA. C.S., B.Com Nearly 39 years of experience in Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws |
| **Date of commencement of employment** | 16.12.1978 | 01.04.2003 | 12.04.1997 |
| **Age** | 73 years | 46 years | 62 years |
| **Last employment held** | – | – | Somaiya Organo Chem. Ltd. |
| **Names of other directors related to the employee** | Mr. Pankaj Sarda and Mr. Anant Sarda (Son) | Mr. Kamal Kishore Sarda (Father) and Mr. Anant Sarda (Brother) | – |

**Common Notes:**

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

# Annexure 'J' to the Directors' Report

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25:

| S. No. | Name of Director / KMP | % increase in Remuneration in the F.Y. 2024-25 | Ratio of remuneration of each Director to median remuneration of employees |
|---|---|---|---|
| 1 | Mr. K.K. Sarda | 31.66 | 204.40 |
| 2 | Mr. Pankaj Sarda | 36.42 | 173.94 |
| 3 | Mr. P.K. Jain – CFO & WTD | 28.08 | 47.19 |
| 4 | Mr. Tripti Sinha | 16.67 | 3.41 |
| 5 | Mr. Amal Kumar Debnath | 126.74 | 4.13 |
| 6 | Mr. Binoy Sandip Parikh | 173.26 | 4.98 |
| 7 | Mr. Rajeev Sharma | 443.18 | 5.06 |
| 8 | Mr. Upendra Prasad Singh | 936.36 | 4.83 |
| 9 | Mr. Manish Sethi (CS) | 7.43 | N.A. |

ii) The percentage increase in the median remuneration of employees in the financial year was 3.74%

iii) There were 1905 permanent employees on the rolls of Company as on 31st March 2025. Further, pursuant to the Scheme of Amalgamation of SKS Power Generation (Chhattisgarh) Limited (SKS) becoming effective from 1st September 2024 all the employees of erstwhile SKS have become the employees of the Company. Hence the remuneration details of the employees for FY 2024-25 are not comparable with FY 2023-24.

iv) Average % increase in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2024-25 was 9.46% as against 10.01% in the previous year. There was an increase of 32.69% in managerial remuneration for the same period. The increase in remuneration of the directors is in line with the performance of the Company.

v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

On **behalf of the Board of Directors**

**(K.K. Sarda)**
*Chairman*
DIN: 00008170

Raipur
2nd August 2025

# Management Discussion and Analysis

## Overview

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY2024-25. 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 2024-25. This report is an integral part of the Directors' Report.

## Industry structure and developments

### Iron and Steel

In 2024, global steel demand declined ~1%. Demand in China, the largest steel producer and consumer, declined ~3.5%, led by declining steel demand from real estate sector, despite conducive policy changes and release of support packages. Steel demand from Europe, Japan and the US also logged an estimated demand degrowth of 2-3%. However, demand growth in developing economies such as India and Brazil stopped global demand from declining steeply. Demand is estimated to have increased 11% in India, 5.6% in Brazil and 2.7% in other steel consuming economies.

In 2025, global steel demand is expected to inch up by 0.5-1.5% on the back of easing financing conditions and pent-up demand from some key steel consuming economies, which will support manufacturing activities. An anticipated recovery in residential construction in economies such as EU, US and Korea in line with easing of financing conditions will support growth, too. India will continue to lead the pack in terms of demand.

India remains the world's second-largest steel producer and one of the strongest demand drivers. Driven by strong growth in the automotive, real estate, and infrastructure sectors, India's steel demand is projected to grow by 8% in the medium term. Growth is supported by rising demand for consumer durables and capital goods. Additionally, government initiatives, including Production-Linked Incentives ('PLI') schemes and increased investments in infrastructure and manufacturing, have played a crucial role in boosting steel production and consumption. In the Union Budget for FY 2025-26, the Government of India ('GoI') has maintained capital expenditure (capex) as a share of GDP at the same level as 2024, reinforcing its commitment to industrial growth.

The challenges before the domestic industry include a noticeable increase in imports from Asian nations like Vietnam and China. The risks from imports have gone up due to China's excess capacity and sluggish demand. Given the slower domestic demand and large excess capacities in the sector, there is an increased risk of a surge of low-cost Chinese steel imports in the markets of Europe and Asia. Imports from nations like Vietnam are also reportedly on the rise. However, this has started to lead to trade protection measures in India; higher tariffs on imports from China and Vietnam have been imposed in certain grades to support domestic industry and enhanced quality control measures have been implemented to help safeguard local manufacturing.

The steel industry will continue to be vulnerable to volatility in key raw material prices such as coking coal and iron ore; going ahead, higher environmental and regulatory costs will also be a challenge to maintain cost efficiency. Overall, while the global steel demand is poised for recovery in 2025, the industry remains exposed to geopolitical, economic, and financial risks.

India, however, continues to stand out as a high-growth market, supported by strong domestic demand and investment. The long-term outlook for the Indian steel industry remains optimistic, with continued infrastructure development, industrial expansion, and supportive government policies driving its growth. Effective trade policies, price stabilisation measures, and sustained investment will be crucial to maintaining India's competitive edge in the global steel market.

The steel industry is exploring more sustainable and energy-efficient methods of production using cleaner fuels / technologies. Environmental concerns, including carbon emissions and sustainable resource use, are becoming increasingly important in the steel industry. This has led to a focus on developing and adopting technologies that reduce the environmental impact of steel production

### Iron Ore/Pellets

The steel raw materials market in FY 2024-25 stayed volatile due to coking coal mine outages and speculation about Chinese government's stimulus announcements to fuel its slowing economy. However, both iron ore and coking coal markets declined due to weak steel markets globally, and continuing doubts that steel consumption could recover meaningfully in China while their economy focused on non-steel intensive sectors for growth.

In FY 2024-25, India's iron ore production reached a record high of 289 million metric tons, marking a 4.3% increase compared to the previous year. This surge in production is attributed to increased demand, policy stability, and improved operational capacity within the sector, according to the Ministry of Mines.

The demand for iron ore pellets is closely tied to the global steel demand. Iron ore pellets are a critical raw

# Management Discussion and Analysis

material in steelmaking as a substitute of iron ore lumps. Iron ore pellets are made from fines generated in the course of production of sized iron ore lump. The leading producers of iron ore pellets include countries with significant iron ore resources, such as China, India, and Iran. Globally, the top three exporters of Iron Ore Pellets are Russia, India, and Brazil. Most of the Iron Ore Pellets exports from the World go to the China, Turkey and Bahrain.

The global iron ore pellets industry is poised for robust growth and expand at a CAGR of 6.1% between 2025 and 2035. By 2035, the market is expected to reach USD 128.1 billion, fueled by the surge in demand for high-quality steel and advancements in green steel production.

India's iron pellet production reached over 105 million tonnes (MnT) in financial year 2024-2025 (FY'25), an increase of 5% y-o-y from 100 MnT in FY'24. Pellet production has surged at a rapid pace over the last few years on rising crude steel production, the ever-increasing requirement of ensuring material and energy efficiency in steel production, as well as growing exports.

Pellet production in FY'26 is expected to remain on the same growth trajectory due to strong domestic steel market fundamentals. However, the capacity utilization rate of the industry is currently around 64%, which hardly inspires optimism. If the export market continues to remain dull for long enough, the rapid rise in domestic capacity may just outstrip real demand by a considerable margin, which might affect the market and prices. Ongoing technological advancements in steelmaking processes, including the development of direct reduction technologies, are influencing the market for iron ore pellets.

**Coal/Power**

Power is among the most critical components of infrastructure, crucial for the economic growth and welfare of nations. The existence and development of adequate power infrastructure is essential for sustained growth of the Indian economy. Global coal demand grew by 1.2% in 2024 in energy terms, rising by around 67 million tonnes of coal equivalent (Mtce) (or in physical terms by 1.4% or 123 million tonnes). The growth rate has been declining since the strong rebound in 2021 following the end of Covid-19 lockdowns in many countries.

The electricity sector continues to drive coal demand, accounting for two-thirds of global consumption. In 2024, global coal power generation grew by nearly 1% to 10 700 TWh, a new high. A key driver was record temperatures, which pushed up electricity demand for cooling (especially with intense heatwaves in China and India). The estimated effect of higher temperatures on coal demand in 2024 covers the entire annual increase in coal use. While coal remains the world's largest source of power generation, its share in the electricity mix is falling: its current share (35%) is the lowest since the IEA was founded in 1974.

In FY 2024-25, India's coal sector saw a significant rise in production, crossing the one billion tonne mark. Coal imports, on the other hand, fell by 7.9% to 243.62 MnT, resulting in foreign exchange savings. Domestic coal production reached 1047.57 MnT, a 4.99% increase from the previous year. With the fifth-largest coal reserves and as the second-largest consumer, coal remains crucial, contributing 55% to the national energy mix and fuelling over 74% of total power generation.

Coal remains crucial for power, steel, and cement industries, but shortages in coking and high-grade thermal coal make imports necessary. The Ministry of Coal, Government of India, is strengthening domestic production to enhance energy security and advance Viksit Bharat, ensuring a self-reliant, sustainable energy framework for long-term growth.

India is stepping up coal-fired generation capacity as its peak electricity demand touched 250 GW from a record 243 GW in 2023. Government expects electricity demand to surge to a high of 384 GW in 2031-2032. The Union government has set a coal production target of 1,193.39 Million Tonne (MnT) for the financial year 2025-26, up 10.5% from the FY25 target of producing 1,080 MnT of the fossil fuel in India.

The Indian power sector in 2024-25 saw significant growth in renewable energy capacity, increased electricity generation across all sources, and a reduction in energy shortages. As per the Ministry of New and Renewable Energy, as of 30th June 2025, India has achieved 50.08% of its total installed electricity generation capacity from non-fossil fuel. As per the reports, India's total installed electricity generation capacity stands at 484.82 GW, out of which 242.78 GW is from non-fossil fuel sources, including renewable energy – 184.62 GW, Large Hydro – 49.38 GW and Nuclear Energy – 8.78 GW.

Even though India has made remarkable progress in building renewable energy capacity, the nation's only reliable energy source remains coal. Despite renewable energy growth, coal-based thermal power will remain essential. At present, given the resource endowments, coal cannot be neglected as a reliable and affordable source of energy for India's development.

The coal sector's continued growth and resilience are vital to India's energy strategy, economic development, and long-term sustainability. The remarkable achievements in production, dispatch, and coal gasification initiatives highlight the sector's evolving

# Management Discussion and Analysis

role in meeting the nation's energy demands. Through constant advancements in safety, environmental protection, and workforce welfare, the coal industry is setting a strong foundation for future progress. The government's initiatives, alongside the dedication of the workforce, ensure that the coal sector will remain a cornerstone of India's path toward becoming a self-reliant and developed nation by 2047.

India's power sector stands at a critical juncture, marked by record-high installed capacity and a rapidly evolving energy mix. With a total installed power capacity of over 475 GW, the country continues to rely heavily on coal, yet the momentum behind renewable energy has never been stronger. Recent years have seen unprecedented growth in solar and wind installations, alongside steady contributions from large hydro and other sources. At the same time, the sector faces important questions about the future role of coal, the pace of capacity additions, and the reliability of supply as electricity demand continues to rise.

**Ferro Alloys**

Global ferroalloys market is associated with production & supply of iron based alloys to various end user industries, including, steelmaking, construction, automotive, etc. The global ferroalloys market is fragmented, with large number of companies, ranging from established brands to smaller regional players and niche manufacturers catering to the industry demand. The market has high concentration of ferroalloy producers located in India and China, and since the industry is highly capital and energy intensive, the market entry barriers are high for new players entering into the market.

The global ferroalloys market has seen steady growth in recent years, driven by several key factors, including increasing industrialization, expanding automotive and construction sectors, and the rising demand for high-performance steel. Rapid urbanization in emerging economies, especially in Asia-Pacific, has spurred demand for infrastructure and construction projects, leading to higher consumption of steel and, subsequently, ferroalloys. The global ferroalloys market size was valued at USD 57.26 billion in 2024 and is projected to reach from USD 61.90 billion in 2025 to USD 115.42 billion by 2033, growing at a CAGR of 8.1% during the forecast period (2025-2033).

The Indian ferro alloys industry is experiencing growth, with production and demand increasing, particularly in the steel sector. Factors like rising steel production, government initiatives, and infrastructure development are driving this growth. The industry is also seeing a rise in exports, with a significant portion of ferro alloys being shipped overseas. Asia Pacific is the largest region of global ferroalloy market owing to region's extensive steel manufacturing industry, rising consumer discretionary money, thriving local building sector, expansion of renewable energy projects, strong production base for steel & cast iron manufacturing, rapidly expanding automotive sector, low labor cost of ferro alloys production, and strong government support for industrial growth & infrastructure development in emerging economies like India, South Korea, and China.

The Indian ferro alloy market is substantial, with a market size of USD 4.69 billion in 2024, Reports project an increase to USD 10.02 billion by 2033, with a compound annual growth rate (CAGR) of 8.8% between 2025 and 2033. Large production volume of crude steel in China, India, and Japan for use in residential and commercial construction and infrastructure development projects, as well as in the automotive & transportation, energy, and electronics industries, will continue to boost the demand of ferro alloys in the region.

The introduction of policies promoting green and sustainable practices, as mandated by the government, reflects a growing awareness of environmental concerns within the industry. Moreover, the increasing inclination towards localized production chains is shaping the market dynamics as companies aim to reduce their carbon footprint and production costs. As these trends evolve, they are likely to redefine the competitiveness and operational strategies of participants in the India Ferro Alloys Market.

However, high energy bills, deficit in high-grade manganese ore, supply constraints and rising domestic and international competition will impact the industry. There is a tendency for further tightening of regulation and rising costs due to increased concern for some pollutant emissions, especially air. Despite these restraints, the market's growth seems inevitable as there is a fueling requirement from the steel sector and construction works.

Introduction of Carbon Border Adjustment Mechanism (CBAM) introduced by European Union on import of Ferro alloys from 1st January 2026, will adversely affect the competitiveness of Indian Exports but will increase import price for the EU and will have bearing on global prices of ferro alloys.

## Opportunities and Threats

**Opportunities**

India's per capita power consumption is significantly lower than the global average. While India's per capita electricity consumption is around 1,331 kWh per year, the global average is estimated to be around 3,000 kWh per year, with some developed countries exceeding 10,000 kWh. This disparity highlights the potential for growth and development in India's energy sector,

# Management Discussion and Analysis

particularly in meeting the rising demand for electricity. India being the fastest growing economy among the larger economies, the demand for power is growing at compounded rate of approximately 6.4% per annum. Improving living standards and urbanization has further increased the demand for power in the country. This offers a large opportunity for growth in power sector, which the company is ready to encash. The company has readily available land and basic infrastructure to double the capacity of 600 MW thermal power plant. The company has got rich experience of developing green field hydropower projects in difficult terrains opening large opportunity to develop new hydropower projects, which is a thrust area of government because hydropower projects provide much needed stability to the grid. The company also holds permissions for development of greenfield hydro power projects.

The Indian steel sector is poised for growth, driven by increased demand, government initiatives, and a focus on sustainability and technological advancements. India has set the targets of achieving a total crude steel capacity of 300 million tonnes per annum (MTPA) and total crude steel demand/ production of 255 MTPA by 2030-31. Demand for steel is likely to grow as the government's augmented focus on infrastructural development continues with increased construction of roads, railways, airports, etc. Rise in infrastructure development and automotive production are driving growth.

Due to their significance in improving the quality and durability of steel, the demand for ferro alloys, including ferro manganese and silico manganese is increasing in India, the 2nd largest steel producer. The automotive and construction sectors, which significantly rely on steel reinforced by ferro alloys for their products, also contribute to the domestic demand.

**Threats**

The key threat lies in dumping of steel from China due to reduced domestic consumption resulting in a 20% increase in exports in 2024, reaching 110 million tonne, highest since 2015. This surge is putting downward pressure on global steel prices and, as a result, squeezing margins for steel producers worldwide. To tackle this, the steel ministry has imposed safeguard duty on select imports.

The steel sector also faces a critical challenge of carbon neutrality as the European Union's Carbon Border Adjustment Mechanism (CBAM) will add in extra costs for Indian steel, further diminishing competitiveness. With Europe being key customer for Indian steel, accounting for 25% of exports, India must urgently comply with stricter carbon regulations to avoid steep financial penalties that could undermine its global position in the steel market. Harsher tariffs by the US shall further restrict market access.

The steel sector faces threats of volatile raw material prices, geopolitical uncertainties and protectionism, evolving environmental regulations and technological disruptions, among others. These factors can significantly impact production costs, supply chains, and market access for steel manufacturers.

During FY 25 the steel imports into India rose by 9%, while exports from India fell by 27% resulting into net import of 4.27 Mn Tonnes as against net import of 1.11 Mn Tonnes in FY 24. This decline is partly because Chinese steel is taking up the global markets that Indian steel companies typically export to.

**Outlook**

Global economic prospects are weakening, with global economic growth expected to moderate from 3.3% in 2024 to 2.8% in 2025, before recovering to 3% in 2026. The combined effects of new trade restrictions, their spillover through global trade linkages, and rising uncertainty may dampen business sentiment and pace of economic recovery. Financial market volatility has raised concerns about extreme vulnerabilities, particularly in countries grappling with persistent inflation and signs of economic slowdown. Policymakers worldwide face the challenge of balancing economic growth with financial stability. While advanced economies navigate the lingering effects of elevated inflation and restrictive monetary policies, emerging markets stand to benefit from economic diversification and demographic advantages.

Global growth is stabilizing as inflation returns closer to targets and monetary easing supports activity in both advanced economies and emerging market and developing economies (EMDEs). However, growth prospects appear insufficient to offset the damage done to the global economy by several years of successive negative shocks, with particularly detrimental outcomes in the most vulnerable countries. The subdued growth outlook and multiple headwinds underscore the need for decisive policy action.

Governments/Policy makers need to ensure long-term debt sustainability and maintain the ability to react to future shocks. Stronger efforts to contain and reallocate spending and optimise revenues, set within credible medium-term country-specific adjustment paths, will be important for debt burdens to remain manageable and to conserve the fiscal space required to address longer-term spending challenges. Policy makers need to resolutely pursue price stability, as well as boost tax revenues and rationalize expenditures in order to achieve fiscal sustainability and finance needed investments. Moreover, to raise longer term growth

# Management Discussion and Analysis

and put development goals on track, interventions that mitigate the impact of conflicts, lift human capital, bolster labor force inclusion, and confront food insecurity will be critical.

On the upside, a reversal of new trade barriers would boost global growth prospects and reduce inflation. A peaceful resolution to Russia's war of aggression against Ukraine and of ongoing conflicts in the Middle East could also improve confidence and incentives to invest.

While there are emerging signs of stabilisation, the global economy's trajectory remains fragile, heavily dependent on effective fiscal policies, geopolitical de-escalation, and coordinated efforts to mitigate inflationary and trade-related pressures and ensure a stable and sustainable economic trajectory.

India's economic outlook for 2025 reflects cautious optimism, amidst the backdrop of persisting external headwinds. On the positive side, participating economists expect consumer spending to gain momentum, driven by an improved outlook for the agriculture sector, which is likely to bolster rural consumption and sentiment in the first half of the next fiscal year. Food inflation - which has remained elevated for over a year and strained household budgets, particularly for low- and middle-income urban families – is expected to ease. As inflationary pressures recede, participating economists expect urban consumption, especially for low ticket and discretionary items, to witness a recovery.

On investment front, the government's focus on capital expenditure is expected to remain a key growth driver in the year 2025-26. Investments in infrastructure and allied sectors—such as roads, housing, logistics, and railways—are anticipated to further economic momentum. Additionally, the services sector, particularly hospitality, real estate, health, and education, is expected to contribute to creation of fresh capacity.

Nonetheless, downside risks remain on the horizon. Participating economists expect the private capital expenditure cycle to stay subdued, with a cautious outlook limiting large-scale capacity additions. Factors such as geopolitical uncertainties, uneven domestic demand, oversupply from China have kept investors on the edge. Merchandise exports are projected to face persistent challenges, constrained by weak global demand, potential tariff wars, and ongoing geopolitical tensions. While services exports are expected to perform better than merchandise exports, uncertainties stemming from US trade policies and financial market volatility could pose additional risks.

The Indian economy is projected to grow at 6.2% in FY 2025-26 and 6.3% in FY 2026-27 amid escalating trade tensions and global uncertainties. Sustained investments in green energy, digital transformation, and infrastructure development will be crucial in boosting the growth. The government's emphasis on self-reliance, through continued support under the PLI scheme, is expected to boost domestic production and export capabilities. Favourable monsoon rains are likely to enhance summer-sowing areas for all major crops, improving agricultural output and rural consumption. Inflation is seen moderating, due to government and Reserve Bank of India (RBI) interventions, with core inflation reaching its lowest in a decade. However, challenges persist with food inflation, driven by supply chain disruptions and adverse weather conditions affecting key items.

India's demographic advantage and continued investments in economic expansion offer a strong foundation for growth. Initiatives like the National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), PM Gati Shakti, and Atmanirbhar Bharat, among others, are set to transform India's infrastructure landscape with a focus on railways, road transport, ports, and digital connectivity. Railways have seen the introduction of Vande Bharat trains and the expansion of Dedicated Freight Corridors. Road transport has benefited from the National Industrial Corridor Development Programme and the Bharatmala Pariyojana that incorporate sustainable construction practices and advanced traffic management systems.

The UDAN scheme has improved regional connectivity and airport infrastructure. These efforts solidify India's position in the global economic landscape, enabling the country to navigate uncertainties and capitalise on emerging opportunities.

Overall, India's economic outlook remains strong, driven by robust domestic demand, policy support, and sectoral resilience. Improving trade relations with the developed economies will provide the requisite impetus to the economy. The India – UK trade agreement is a positive development in this direction. By leveraging its domestic strengths and implementing strategic reforms, India is well-positioned to navigate global challenges and maintain its trajectory as a leading global economic powerhouse.

The Company with integrated manufacturing facilities do not foresee a major challenge ahead for its operations. The Company is also exploring various opportunities to secure availability of key raw materials. The Company's mines / plants are operating well and Company is hopeful of achieving better performance in coming years.

# Management Discussion and Analysis

**Risks and Concerns**

The Company operates in a dynamic environment characterised by evolving regulatory and environmental requirements, heightened geopolitical uncertainty, and rapid technological advancements. These factors pose material risks, which is an integral part of business, across the organization's value chain. 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**<br>-Cyclical nature of business<br>-Unforeseen demand supply changes | - Diversification of revenue<br>-Captive mineral resource<br>-Backward and forward integration<br>-Proximity to raw material source and market<br>-Low leveraging<br>-Customer loyalty |
| **Environmental risk**<br>-Discharge of pollutants<br>-Compliances<br>-Emission of Co2 | -Adequately equipped with pollution-control devices to observe norms<br>-Regular upgradation and maintenance of the equipment to avoid discharge of pollutants in the environment<br>-Focus on full waste utilization through waste to wealth programme<br>-Installation of solar power plant<br>-Replacement of diesel operated vehicles with Electrically operated vehicles. |
| **Financial risk**<br>-Availability of funds for capex and business operations | -Low debt gearing ratios and efficient financial management. Creating cushion for contingencies. |
| **Foreign Exchange risk**<br>-Unfavourable rupee/foreign currency movement | -Substantial amount of import, export and financial assets in foreign currency providing natural hedge<br>-Regular review of exposure at highest level<br>-Forward contracts<br>-Avoiding exotic derivative structures |
| **Human resources**<br>-Attracting and retaining talent at various levels is a challenge | -Ample opportunity of growth and development of individual<br>-Safety and security, motivation, performance linked remuneration in line with market. |
| **Input risk**<br>-Procurement of raw materials at the right cost and in the right time. | - Captive mineral resource – iron and coal<br>-Integrated business model with backward and forward integration.<br>-Captive power<br>-connecting and Strengthening rail and road infrastructure.<br>-Creation of a self-feeding ecosystem, costing and logistic issues |
| **Regulatory risk**<br>-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 |

# Management Discussion and Analysis

| Risk | Risk-mitigating factors |
|---|---|
| **Safety risk / Health related disruption**<br>-Healthy and safe working of workmen | -Regular health check-ups<br>- Regular safety audit by independent team and compliance review.<br>- Safety trainings, promoting near miss reporting and corrective actions.<br>- Preventive maintenance of machines and equipment to avoid any unforeseen accidents<br>-Adequate arrangements of firefighting system and dispensaries to address emergency situations |
| **System / Cyber Security risk**<br>System capability, System reliability and Data integrity risks | - Maintenance and upgrading of systems on a continuous basis<br>- Data security through access control restrictions<br>- Regular data backup<br>- Use of antivirus softwares and firewall system<br>- Threat risk audit and prevention |

## Internal Control System and Their Adequacy

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

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

The Company has availed the services of independent professional firm for Internal Audit, which checks the effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of the Company's risk management, control and governance processes. During the year, the Company had appointed external professional firm for thorough review of existing internal financial controls and updation thereof.

The scope and authority of the Internal Audit activity are approved by the Audit Committee. Internal Auditor reports directly to the Audit Committee of Board. Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. The Audit Committee also seeks the views/opinions of statutory auditors on the adequacy of the internal control systems in the Company. Minutes of the Audit Committee are put up to the Board of Directors.

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

## Product-wise Performance

During the year under review, plant performance was satisfactory. Sale of power from captive power plant on commercial consideration resulted into cut-down of production of billets, wire rod and HB wire. During the year, the Company operated all its plants at optimum capacity. Power generation increased substantially on account of acquisition of 600 MW thermal power plant of SKS Power Generation (Chhattisgarh) Limited from 22nd August 2024. The coal production increased to 1.68 MnT post approval of the increased capacity. The consolidated product wise performance matrix for the year 2024-25 is summarized hereunder:

| Product | Production (MTs) | | Sales (MTs) | | Captive consumption (MTs) | |
|---|---|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Pellet | 8,18,866 | 8,10,445 | 5,01,207 | 5,17,235 | 3,16,292 | 2,96,649 |
| Sponge Iron | 3,19,114 | 3,15,965 | 1,17,889 | 1,02,684 | 1,99,576 | 2,15,704 |
| Steel Billet | 2,05,130 | 2,29,065 | 30,718 | 31,153 | 1,73,697 | 1,98,026 |
| Wire Rod | 1,68,663 | 1,92,776 | 1,32,775 | 1,53,622 | 35,393 | 38,902 |
| HB Wire | 34,897 | 38,358 | 35,245 | 37,949 | - | - |

# Management Discussion and Analysis

| Product | Production (MTs) | | Sales (MTs) | | Captive consumption (MTs) | |
|---|---|---|---|---|---|---|
| | 2024-25 | 2023-24 | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
| Ferro Alloys | 1,83,190 | 2,00,496 | 1,80,910 | 1,95,253 | 3,181 | 4,080 |
| Power (Mn Kwh) | 3,990 | 1,741 | 2,572 | 533 | 1,086 | 1,132 |
| Iron Ore | 3,44,372 | 3,75,470 | - | - | 3,30,214 | 3,59,722 |
| Coal | 16,79,998 | 14,39,646 | 3,53,989 | 8,47,174 | 13,19,681 | 7,76,648 |
| Bricks | 1,50,003 | 1,27,399 | 1,48,384 | 1,36,255 | 497 | 102 |

## Financial Performance vis a vis Operational Performance as per standalone financials

The financial performance figures are not comparable year on year because of inclusion of performance of 600 MW thermal power plant for about 7 months. The asset and liability figures are also materially gone up because of merger of SKS Power Generation (Chhattisgarh) Limited into the company.

### Turnover

During 2024-25, the Company achieved a turnover of ₹3,484.17 crore on standalone basis as against ₹2,733.45 crore in the previous year, showing an increase of 27.46%. At the consolidated levels, the turnover in 2024-25 was ₹4,642.85 crore as against ₹3,868.13 crore in the previous year, up by 20.03%. The price realisation of steel and ferro alloys was lower as compared to the previous year due to fall in prices. The turnover and profitability improved on account of higher generation of hydropower and sale of thermal power from newly acquired 600 MW thermal power plant.

**Breakup of consolidated revenue (Entity wise)** (₹ in crore)

| Company | As at 31st March 2025 | As at 31st March 2024 | Product |
|---|---|---|---|
| Sarda Energy & Minerals Limited | 3,430.33 | 2,648.54 | Steel, Ferro alloys & Thermal Power |
| Sarda Metals & Alloys Limited | 902.58 | 907.57 | Ferro Alloys & Thermal Power |
| Madhya Bharat Power Corporation Ltd. | 246.01 | 260.83 | Hydro Power |
| Chhattisgarh Hydro Power LLP | 47.75 | 38.73 | Hydro Power |
| Sarda Energy Limited | 9.74 | 7.85 | Share of profit from LLP |
| Parvatiya Power Limited | 6.44 | 4.61 | Hydro Power |
| **Total** | **4,642.85** | **3,868.13** | |

**Breakup of revenue (% Product wise)**

| Product | 2024-25 | 2023-24 | 2024-25 | 2023-24 |
|---|---|---|---|---|
| | Standalone | | Consolidated | |
| Ferro Alloys | 16.52 | 22.68 | 30.13 | 38.03 |
| Steel – billets, wire rods and HB wire | 25.03 | 37.33 | 18.78 | 26.38 |
| Sponge Iron | 8.70 | 10.15 | 6.53 | 7.17 |
| Pellet | 13.41 | 17.54 | 10.06 | 12.39 |
| Power | 31.69 | - | 30.85 | 9.35 |
| Others (includes eco bricks and trading) | 4.65 | 12.30 | 3.65 | 6.68 |
| **Total** | **100.00** | **100.00** | **100.00** | **100.00** |

# Management Discussion and Analysis

**Exports**

Export markets for ferro alloys are catered mainly from Sarda Metals' plant located near the port. Consolidated ferro alloys exports of the Company stood at 1,06,107 MTs as against 1,15,231 MTs in previous year registering a decline of 7.92%.

During the year under review, the Company completed the amalgamation of SKS Power Generation (Chhattisgarh) Limited (SKS) with itself and accordingly, the changes are majorly attributed to the amalgamation.

## Material Developments in Human Resource/Industrial Relations

Human Resources plays a vital role in building a strong, inclusive, and future-ready workforce. The HR strategy of the Company focuses on talent development, employee engagement, diversity and inclusion, health, and well-being, ensuring that our people remain at the core of our organizational success.

Our environmental, social and governance (ESG) philosophy guides our efforts towards enhanced value creation for the stakeholders. Safety is our area of prime concern. Shop floor safety awareness session is continuous process. Behaviour based safety (BBS) is one of its unique training programs that build's and strengthen safety culture within the organization. The Company believes happiness is key for building positive safety culture in our organization and workplace.

Our industrial relations remained cordial throughout the year. We ensured open communication with workers and addressed concerns through regular dialogue and grievance redressal mechanisms. We aim to further strengthen our human resource function by enhancing learning opportunities and building a pipeline of future leaders through various programs.

We have introduced digital tools for performance tracking / evaluation to enhance efficiency of our employees. Through various programs /training sessions on leadership, soft skills, meditation & mental health, and compliance, we have created equal opportunities across group on gender, caste, and background, with increased focus on women and underprivileged groups.

Through employee engagement drives on sports, cultural & wellness activities, the Company has created a positive environment on work culture. We are continually promoting employee well-being, fostering the health and wellness of our people through a range of health care camps, awareness programmes, health talks and employee wellness initiatives.

We have organized health check-ups, spiritual & mental strengthening sessions, insurance support in addition to various programs for employees and their families, including employee engagement programs, team-building activities, festival celebrations, cultural events, employee recognition and rewards function, throughout the year.

During the year, 6 Quality Circle teams of the Company have participated in CCQC-2024 (Chapter Convention on Quality Concepts) organized in Bhilai and all the teams won "Gold Award". In NCQC-2024 (National Convention on Quality Concepts) organized in Gwalior, 6 QC Teams have participated and 3 of them won "Par Excellence" award and 3 of them won "Excellence" award with a 100% winning tally.

Our CSR activities remain centered around the areas of our operations. Our focus is on Education, Healthcare, Women empowerment, Livelihood, and infrastructure development, especially in rural and tribal areas which are deprived of facilities. During the year, the Company:

- continued to operate and maintain, mobile medical van near operational sites and surrounding villages benefitting 11,744 patients.
- supported "Parivaar Education Trust" for the maintaining hostels for poor children and necessary fooding, medical, and education facilities.
- support to "Sankalp Ek Prayas" for the "Adarsha Bal Gram" initiative in 250 villages with "Seekh" & "Srijan" projects on education.
- supported Project "Garima" to address issues of adolescent girls in community.
- Supported "Feel Parmartham" - a shelter home to rehab and rescue elderly & mentally challenged from streets.
- organized various health camps, and health awareness drives, support for various medical facilities
- has organized various training programmes for empowering women on Mushroom cultivation, sewing training etc. to promote income generation, benefitting 146 women.
- Initiated Community Social Awareness drive on Moral Values & Moral education and social issues, benefited 1145 number of women & children.
- has provided scholarships to meritorious students from nearby villages, benefited 60 students.
- supported 50 "Ekal Vidyalayas" for education development of tribal children, donated computers & other digital display devices and create infrastructure facilities for education of students.
- provided infrastructure support to schools, including building, boundary walls, toilets, computer labs, etc.

# Management Discussion and Analysis

- supported 11 physically challenged couple for marriage under "Nirdhan Kanya Vivah" initiative.
- supported various social cause programs like drug de-addiction and road safety.
- organized mass plantation for sustainability by planting 8,009 plants in and around the plant.

As of 31st March 2025, the total number of permanent employees on company rolls stood at 1,905 as compared to 1,428 in the previous year. The number has gone up as a result of merger of SKS with the company.

## Changes in Key Financial Ratios

| Ratio | Standalone | | | | Consolidated | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024-25 | 2023-24 | % Change | Comments | 2024-25 | 2023-24 | % Change | Comments |
| Debtors' turnover (no. of days) | 9.18 | 8.81 | (4.23%) | - | 10.87 | 13.36 | (18.64%) | - |
| Inventory turnover (no. of days) | 40.31 | 59.82 | (32.61%) | Reduced due to increase in turnover on account of acquisition of SKS. | 45.11 | 59.19 | (23.78%) | - |
| Interest coverage ratio | 12.03 | 69.02 | (82.18%) | Reduced on account of fresh borrowing for acquisition of SKS. However, the ratio is still healthy. | 6.95 | 8.51 | (18.33%) | - |
| Current ratio | 6.34 | 8.26 | (23.25%) | - | 3.06 | 3.36 | (9.00%) | - |
| Debt equity ratio | 0.24 | 0.02 | (913.58%) | Increased on account of fresh borrowing for acquisition of SKS. | 0.41 | 0.32 | 26.99% | Increased on account of fresh borrowing by parent entity for acquisition of SKS. |
| Operating profit margin (%) | 20.35 | 15.80 | 28.80% | Improved on account of higher operating profit margin in power business acquired during the year. | 16.06 | 12.57 | 27.76% | Improved on account of higher operating profit margin in power business acquired during the year. |
| Net profit margin (%) | 17.45 | 17.04 | 2.41 | - | 15.12 | 13.55 | 11.59% | - |
| Return on net worth (%) | 12.78 | 13.25 | (3.55%) | The return on net worth fell because of increase in networth on account of acquisition of SKS. | 13.56 | 13.48 | 0.63% | The return on net worth increased on account of higher profits reported by subsidiaries. |

The finance cost went up on account of fresh borrowings for acquisition of SKS. Current tax liability fell on account of set off of brought forward losses of SKS against current year tax profit of the company in standalone accounts. The deferred tax liability in the balance sheet is down on account of set-off of deferred tax liability with deferred tax asset acquired from SKS. All other material changes in financial performance are mainly on account of acquisition of SKS, which has added revenue and expenses of 600 MW power plant from 22nd August 2024.

## Disclosure of Accounting treatment

The acquisition and merger of SKS Power Generation (Chhattisgarh) Limited has been accounted for as per Ins AS 103 "Business Combination" w.e.f. 22nd August 2024. More specific details of the accounting treatment is given in the Note 35 of the standalone accounts.

## Cautionary Statement

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

# Corporate Governance Report

## 1. Company's philosophy on Corporate Governance

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

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

The Company would constantly endeavor to improve on these parameters.

## 2. Board of Directors

### 2.1 Composition

During the year 2024-25, the Board of Directors comprised of eight directors, including two wholetime promoter directors, one wholetime professional director, and five independent directors. The independent directors are eminent professionals, having rich and sound experience in diverse fields related to the business of the Company.

The names and categories of the directors on the board and other relevant information, as on 31st March 2025, are as under:

| Names of the Directors | Category | No. of other Directorships held* | Member/ Chairman of other Board committees@ | No. of shares held in the Company |
|---|---|---|---|---|
| Mr. Kamal Kishore Sarda^# | Promoter Executive | 4 | - | 56,26,084 |
| Mr. Pankaj Sarda^& | Promoter/Wholetime | 10 | 2 | 67,14,410 |
| Mr. Padam Kumar Jain | Professional/Wholetime | - | - | 97,880 |
| Ms. Tripti Sinha | Independent | - | - | NIL |
| Mr. Amal Kumar Debnath | Independent | - | - | NIL |
| Mr. Binoy Parikh | Independent | 1 | - | NIL |
| Mr. Rajeev Sharma | Independent | 8 | 3 | NIL |
| Mr. Upendra Prasad Singh | Independent | 5 | 1 | NIL |

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

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

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

#Appointed as Chairman w.e.f 01.04.2025

&Appointed as Managing Director w.e.f 01.04.2025

Further, Mr. Anant Sarda has been appointed as Non-Executive Non-Independent Promoter Director w.e.f 1st April 2025. Mr. Anant Sarda holds 78,52,890 equity shares in the Company and is on board of 5 other companies (including private limited companies, excluding directorships in foreign companies and the Company). He is not on Board of any other listed company. He is son of Mr. Kamal Kishore Sarda and brother of Mr. Pankaj Sarda.

# Corporate Governance Report

## 2.2 Board Meetings

During the year ended 31st March 2025, five Board Meetings were held as detailed hereunder:

| | | | | | |
|---|---|---|---|---|---|
| i) | 25th May, 2024 | ii) | 3rd August 2024 | iii) | 15th August 2024 |
| iv) | 14th November 2024 | v) | 8th February 2025 | | |

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2025 and at the last Annual General Meeting is as under: -

| Names of the Directors | No. of Board Meetings attended | Last AGM attended |
|---|---|---|
| Mr. Kamal Kishore Sarda | 5 | Yes |
| Mr. Pankaj Sarda | 5 | Yes |
| Mr. Padam Kumar Jain | 5 | Yes |
| Ms. Tripti Sinha | 5 | Yes |
| Mr. Amal Kumar Debnath | 5 | No |
| Mr. Binoy Sandip Parikh | 5 | Yes |
| Mr. Rajeev Sharma | 5 | Yes |
| Mr. Upendra Prasad Singh | 4 | Yes |

## 2.3 Details of directorships as on 31st March 2025 in other listed companies with category of Company's directors is as under:

| S. No. | Name | Name of the Company | Designation |
|---|---|---|---|
| 1. | Mr. K.K. Sarda | - | NA |
| 2. | Mr. Pankaj Sarda | - | NA |
| 3. | Mr. Padam Kumar Jain | - | NA |
| 4. | Ms. Tripti Sinha | - | NA |
| 5. | Mr. Amal Kumar Debnath | - | NA |
| 6. | Mr. Binoy Sandip Parikh | Batliboi Limited | Independent Director |
| 7. | Mr. Rajeev Sharma | JSW Energy Limited | Independent Director |
| 8. | Mr. Upendra Prasad Singh | Sangam (India) Limited | Independent Director |

## 2.4 List of Core Skills / Expertise / Competencies of directors

The Company is engaged in metal, mining and power sector. It is having integrated steel manufacturing facility, ferro alloys manufacturing facility, backed by captive thermal power plants. It also has an Independent Thermal Power Plant and hydropower plants.

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

| S. No. | Name of Director | Qualification & Experience | Expertise |
|---|---|---|---|
| 1 | Mr. Kamal Kishore Sarda | B.E. (Mech.)<br>Nearly 49 years of experience | Iron & Steel, Mining, Strategic Planning |
| 2 | Mr. Pankaj Sarda | MS in Industrial Administration<br>Nearly 22 years of experience | Strategic Planning, Production, Operations, General Management |

# Corporate Governance Report

| S. No. | Name of Director | Qualification & Experience | Expertise |
|---|---|---|---|
| 3 | Mr. Padam Kumar Jain | Chartered Accountant / Company Secretary<br>Nearly 39 years of experience | Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws |
| 4 | Ms. Tripti Sinha | B.E. (Electricals)<br>Nearly 45 years of experience | Power |
| 5 | Mr. Amal Kumar Debnath | B. Tech, Mining<br>Nearly 42 years of experience | Mining and related matters |
| 6 | Mr. Binoy Parikh | Chartered Accountant<br>About 12 years of experience | Accounting, controls, capital market regulation, Amalgamation & Mergers, Taxation |
| 7 | Mr. Rajeev Sharma | B.Tech in Electrical Engineering<br>Nearly 41 years of experience | Power sector |
| 8 | Mr. Upendra Prasad Singh | B. Tech in Mechanical Engineering, IAS<br>Nearly 39 years of experience | Administration |
| 9 | Anant Sarda[$] | B.Sc Engineering and MBA Around 7 years of business experience | Budgeting, Costing, Treasury Operations, Investments, plant operations |

$ Appointed w.e.f 01.04.2025

### 2.5 Independent Directors

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

During the year, familiarization programmes were conducted for the Independent Directors. The details of the same are available at - Familiarisation Programmes - on the website of the Company.

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

### 2.6 Code of Conduct and Ethics

The Company has in place a comprehensive Code of Conduct and Ethics (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 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 and Ethics for Board of Directors and Senior Executives in respect of the financial year 2024-25.

**K.K. Sarda**
Chairman"

### 2.7 Particulars of Directors seeking appointment/ reappointment

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 25th September 2025 are given as under:

# Corporate Governance Report

| 1 | | Name | Mr. Padam Kumar Jain (DIN: 00008379) | Ms. Tripti Sinha (DIN: 07837793) |
|---|---|---|---|---|
| 2 | i) | Age | 62 years | 67 years |
| | ii) | Qualification | Chartered Accountant / Company Secretary | B.E. (Electricals) – Gold medalist - from Rani Durgawati University. |
| | iii) | Date of appointment | 01.06.2016 | 20.10.2020 |
| 3 | | Experience | Nearly 39 years of experience in Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws | Nearly 45 years of experience in state power sector |
| 4 | | Terms & Conditions of re-appointment | Mr. Padam Kumar Jain is Wholetime Director, liable to retire by rotation & is also holding the office of Chief Financial Officer. Other terms and conditions are as approved by the members in the 48th Annual General Meeting. | Ms. Tripti Sinha is Independent Women Director on the Board. Necessary resolution for her re-appointment is being taken up in the ensuing AGM. |
| 5 | | Remuneration last drawn (including sitting fees, if, any)(per annum) | ₹ 2.23 crore (F.Y. 2024-25) | ₹ 16.10 lakh (F.Y. 2024-25), as sitting fees & commission |
| 6 | | Remuneration / Sitting Fees proposed to be paid per month | As approved by the members in the 48th Annual General Meeting. | As per the terms of remuneration for non-executive directors approved by the members at the 41st AGM. |
| 7 | | Other Directorships | - | - |
| 8 | | Chairman/ Member of Committees | Sarda Energy & Minerals Limited- Member – Risk Management Committee<br>Member – Stakeholder Relationship Committee | Sarda Energy & Minerals Limited- Chairperson- Risk Management Committee<br>Member-Audit Committee<br>Member-Corporate Social Responsibility Committee |
| 9 | | Shareholding in the Company | 97,880 Equity shares | NIL |
| 10 | | No. of Board Meetings attended /held during Financial Year 2024-25 | 5/5 | 5/5 |
| 11 | | Relationship with Directors | No relationship | No relationship |
| 12 | | Listed entities from which resigned in the past three years | NIL | NIL |

## 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. Binoy Parikh - Chairperson | Mr. Rajeev Sharma - Chairperson |
| Mr. Pankaj Sarda | Mr. Amal Kumar Debnath |
| Mr. Rajeev Sharma | Mr. Kamal Kishore Sarda |
| Ms. Tripti Sinha | Mr. Upendra Prasad Singh |

# Corporate Governance Report

| Stakeholders' Relationship Committee | Risk Management Committee |
|---|---|
| Mr. Amal Kumar Debnath - Chairperson | Ms. Tripti Sinha - Chairperson |
| Mr. Binoy Parikh | Mr. Amal Kumar Debnath |
| Mr. Padam Kumar Jain | Mr. Padam Kumar Jain |
| Mr. Pankaj Sarda | Mr. Pankaj Sarda |
| | Mr. Sanjeev Agrawal (upto 02.08.2024) |
| | Mr. Manoj Kumar Shah (w.e.f 03.08.2024) |

| Corporate Social Responsibility Committee | |
|---|---|
| Mr. Upendra Prasad Singh - Chairperson | |
| Mr. Kamal Kishore Sarda | |
| Ms. Tripti Sinha | |

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

**3.2 Meetings of the Board Committees and attendance of Directors at the meetings during the year 2024-25:**

| Board Committees | Audit Committee | Corporate Social Responsibility Committee | Nomination & Remuneration Committee | Risk Management Committee | Stakeholders' Relationship Committee |
|---|---|---|---|---|---|
| Meetings held | 4 | 2 | 3 | 2 | 1 |
| Attendance: | | | | | |
| Mr. Kamal Kishore Sarda | NA | 2 | 2 | NA | NA |
| Mr. Pankaj Sarda | 4 | NA | NA | 1 | 1 |
| Mr. Padam Kumar Jain | NA | NA | NA | 2 | 1 |
| Ms. Tripti Sinha | 4 | 2 | NA | 2 | NA |
| Mr. Amal Kumar Debnath | NA | NA | 2 | 2 | 1 |
| Mr. Binoy Parikh | 4 | NA | NA | NA | 1 |
| Mr. Rajeev Sharma | 4 | NA | 3 | NA | NA |
| Mr. Upendra Prasad Singh | NA | 2 | 2 | NA | NA |

**3.3 Procedure at Committee Meetings**

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

**3.4 Terms of Reference of Board Committees**

**Audit Committee**

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

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

**Nomination & Remuneration Committee**

The Nomination & Remuneration Committee is responsible for:

a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to

# Corporate Governance Report

the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

b) 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;

c) 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;

d) devising a policy on diversity of board of directors;

e) 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;

f) recommend to the board, all remuneration, in whatever form, payable to senior management;

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

Performance Evaluation: The Company has laid down criteria for performance evaluation of the Board, Committees, Independent Directors and other Directors. The said criteria are given as **Annexure 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 the Company for the year 2024-25.

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

| Name of the Director | Salary & Allowances | Perquisites | Retiral Benefits | Commission@ | Total* | Stock Options granted# |
|---|---|---|---|---|---|---|
| Mr. Kamal Kishore Sarda | 231.12 | 26.11 | 7.50 | 700.00 | 964.73 | NIL |
| Mr. Pankaj Sarda | 105.38 | 8.09 | 7.50 | 700.00 | 820.97 | NIL |
| Mr. Padam Kumar Jain^ | 86.44 | 3.77 | 7.50 | 125.00 | 222.71 | NIL |

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

@ Commission relates to the financial year ended March 31, 2025, which was approved by the Board on May 24, 2025 and paid during FY 2025-26.

#No stock options were granted during the year

^Also holds the office of CFO.

**Contract period:** Mr. K.K. Sarda, Chairman– Five years from 1st April 2025.

Mr. Pankaj Sarda, Managing Director – Five years from 1st April 2025. To retire by rotation.

Mr. Padam Kumar Jain, Wholetime Director & CFO Five years from 1st June 2021. To retire by rotation.

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

# Corporate Governance Report

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

| Name of the Director | Sitting fees | Commission@ | Total |
|---|---|---|---|
| Mr. Amal Kumar Debnath | 3.50 | 16.00 | 19.50 |
| Mr. Binoy Parikh | 3.50 | 20.00 | 23.50 |
| Mr. Rajeev Sharma | 3.90 | 20.00 | 23.90 |
| Ms. Tripti Sinha | 4.10 | 12.00 | 16.10 |
| Mr. Upendra Prasad Singh | 2.80 | 20.00 | 22.80 |

@ Commission relates to the financial year ended March 31, 2025, which was approved by the Board on May 24, 2025 and paid during FY 2025-26.

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

**Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is responsible for:

a. Resolution of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Measures taken for effective exercise of voting rights by shareholders.

c. Service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

| | | |
|---|---|---|
| The number of complaints received during the year | : | During the year under review, 12 complaints were received out of which 11 were resolved. One complaint was pending on 31st March 2025. Requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were received which were attended promptly. |
| The number of complaints not solved to the satisfaction of shareholders | : | NIL |
| Number of pending complaints | : | 1 complaint was pending for redressal as on 31st March 2025. The same has been resolved. |

**Corporate Social Responsibility Committee**

The role of the Committee is to:

a) 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;

b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and

c) monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time.

**Risk Management Committee**

The role of the Committee is, subject to the approval of the Board of Directors, to frame suitable risk management policy and ensure its implementation.

# Corporate Governance Report

Details of Senior Management and changes therein during the year

| S. No. | Name | Designation | Change/No change |
|---|---|---|---|
| 1 | Mr. Padam Kumar Jain* | Chief Financial Officer | No change |
| 2 | Mr. Anant Sarda@ | President | No change |
| 3 | Mr. Manish Sethi | Company Secretary | No change |
| 4 | Mr. Sanjeev Agarwal$ | Plant Head | Change |
| 5 | Mr. Manoj Kumar Shah& | Plant Head | Change |
| 6 | Mr. S.K. Shome | Mining Head | No change |

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

@ Ceased to be President w.e.f 01.04.2025

$ Ceased to be Plant head w.e.f 02.08.2024

& Appointed as Plant head w.e.f 03.08.2024

## 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 |
|---|---|---|---|
| 26th September 2024 | 11.30 a.m. | The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office. | Special Resolutions-<br>- for re-appointment of Mr. Kamal Kishore Sarda (DIN: 00008170) as Chairman & Managing Director of the Company for five years, with effect from 1st April, 2025<br>- to issue NCDs upto an aggregate amount not exceeding ₹ 1000 crore;<br>- equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore;<br>were passed. |
| 28th September 2023 | 11.30 a.m. | The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office. | Special Resolutions-<br>- for appointment of Mr. Amal Kumar Debnath as Independent Director for a first term of five years w.e.f 1st August 2023;<br>- for appointment of Mr. Binoy Sandip Parikh as Independent Director for a first term of five years w.e.f 1st August 2023;<br>- to issue NCDs upto an aggregate amount not exceeding ₹ 1000 crore;<br>- equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore;<br>were passed. |
| 29th September 2022 | 11.30 a.m. | The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office. | Special Resolution to issue NCDs upto an aggregate amount not exceeding ₹ 500 crore was passed. |

# Corporate Governance Report

**Special Resolution(s) passed through Postal Ballot**

During 2024-25, the Company sought the approval of the shareholders by way of two postal ballots on three Special Resolutions and two Ordinary Resolutions.

**1st Postal Ballot**

The voting period for remote e-voting commenced on Thursday, March 28, 2024, at 9.00 a.m. (IST) and ended on Friday, April 26, 2024, at 5.00 p.m. (IST). The report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions was provided by the Scrutinizer on Saturday, April 27, 2024.

The details are as under:

| Item No. | Brief Description | Number of votes cast in favour | | Number of votes cast against | | Invalid votes | | Total votes cast |
|---|---|---|---|---|---|---|---|---|
| | | No of votes | % to total votes cast | No of votes | % to total votes cast | No of votes | % to total votes cast | No of votes |
| i) | Appointment of Mr. Rajeev Sharma as Independent Director for a first term of five years w.e.f 3rd February 2024 | 235568521 | 99.9974% | 6128 | 0.0026% | – | – | 235574649 |
| ii) | Appointment of Mr. Upendra Prasad Singh as Independent Director for a first term of five years w.e.f 20th March 2024 | 234678170 | 99.9974% | 6031 | 0.0026% | – | – | 234684201 |

**2nd Postal Ballot**

The voting period for remote e-voting commenced on Friday, February 21, 2025, at 9.00 a.m. (IST) and ended on Saturday, March 22, 2025, at 5.00 p.m. (IST). The report on the result of the postal ballot through remote e-voting for approving the aforementioned resolutions was provided by the Scrutiniser on Monday, March 24, 2025.

The details are as under:

| Item No. | Brief Description | Number of votes cast in favour | | Number of votes cast against | | Invalid votes | | Total votes cast |
|---|---|---|---|---|---|---|---|---|
| | | No of votes | % to total votes cast | No of votes | % to total votes cast | No of votes | % to total votes cast | No of votes |
| i) | Appointment of Mr. Kamal Kishore sarda as Executive Chairman for five years w.e.f 01.04.2025 | 210337090 | 99.4439% | 1176127 | 0.5561% | – | – | 211513217 |

In respect of the above Postal Ballots conducted by the Company during 2024-25, the Board of Directors had appointed Mr. Kamlesh Ojha (Membership No. FCS 10807, CP No. 14660) of S.G. Kankani & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinize the postal ballot process, in a fair and transparent manner.

The aforesaid Postal Ballots were conducted by

# Corporate Governance Report

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

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

## 5. Means of communication

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

## 6. General shareholder information

| | | | |
|---|---|---|---|
| **Annual General Meeting** | : | Date: | 25th September 2025 |
| | : | Time: | 11.30 a.m. |
| | : | Venue: | The AGM of the Company is being held through VC/OAVM. Registered Office shall be deemed to be the venue of AGM. |
| **Dividend payment** | : | | On or after 25th September 2025 (subject to approval of the shareholders at the AGM) |
| **Financial calendar for 2025-26 (tentative)** | : | | |
| **Financial results for the quarters ended:** | | | |
| **30th June 2025** | : | | 1st week of August 2025 |
| **30th September 2025** | : | | 1st week of November 2025 |
| **31st December 2025** | : | | 1st week of February 2026 |
| **31st March 2026** | : | | 4th week of May 2026 (audited) |
| | | | |
| **Annual General Meeting (for F.Y. 2025-26)** | : | | September, 2026 |

| | | |
|---|---|---|
| **Listing on stock exchanges** | : | |
| **Equity shares** | | The equity shares of the Company are listed on the following exchanges: |
| | i) | BSE Limited, Mumbai |
| | ii) | The National Stock Exchange of India Limited, Mumbai |
| | | ISIN no. NSDL & CDSL - INE385C01021 |
| | | No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. The Company has paid annual listing fees to the BSE Limited and The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2025-26. |
| **Registrar and share transfer agents (for physical and electronic)** | | Bigshare Services Private Limited<br>Office No S6-2, 6th Floor<br>Pinnacle Business Park, Next to Ahura Centre<br>Mahakali Caves Road<br>Andheri (East), Mumbai – 400093 (M.H.) |

# Corporate Governance Report

| | |
|---|---|
| **Share Transfer System and related matters** | Securities of the Company can be transferred only in dematerialized form w.e.f. April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, subdivision/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.<br><br>In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.<br><br>SEBI has opened a special window from 7th July 2025 to 6th January 2026 for pending transfer of physical shares vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dt. 2nd July 2025. Any person meeting the conditions specified in the Circular may avail the opportunity for dematerialization of shares.<br><br>Shareholders should communicate with Company's RTA i.e. Bigshare Services Private Limited, quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities.<br><br>Shareholders are advised to refer the latest SEBI guidelines/circulars issued for all the holder holding securities in listed companies in physical form from time to time and keep their KYC details updated at all times, to avoid freezing their folio as prescribed by SEBI.<br><br>Further, the Company's RTA has implemented various investor initiatives given below as part of their endeavour to enhance investor servicing. The Shareholders may avail the facility as per the requirements:<br><br>https://iconnect.bigshareonline.com/Account/Login - can be used to check holding details, raise / track service requests, raise / track grievances, download forms and procedures<br>https://www.bigshareonline.com/InvestorLogin.aspx - dedicated grievance link through which investor can directly raise a query |

**Shareholding pattern as on 31st March 2025**

| Sl. No. | Category | No. of shares | Percentage |
|---|---|---|---|
| 1. | Promoter and Promoter Group | 25,77,94,226 | 73.16 |
| 2. | Banks/MFs /FIs/Ins.Cos. /NBFCs/AIFs | 1,33,22,932 | 3.78 |
| 3. | Foreign Portfolio Investors | 1,22,17,618 | 3.47 |
| 4. | Bodies Corporate | 69,83,082 | 1.98 |
| 5. | Individuals NRIs | 19,76,431 | 0.56 |
| 6. | Resident Individuals | 5,55,12,364 | 15.75 |
| 7. | IEPF Authority | 20,08,800 | 0.57 |
| 8. | Others | 25,65,817 | 0.73 |
| | **TOTAL*** | **35,23,81,270** | **100.00** |

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

# Corporate Governance Report

**Distribution of shareholding as on 31st March 2025**

| Shareholding of nominal value (₹) | Shareholders | | No. of shares | |
|---|---|---|---|---|
| | Number | % to total | Number | % to total |
| Up to 5,000 | 86,094 | 98.38 | 3,23,93,547 | 9.19 |
| 5,001 – 10,000 | 680 | 0.78 | 50,55,624 | 1.44 |
| 10,001 – 20,000 | 351 | 0.40 | 51,17,227 | 1.45 |
| 20,001 – 30,000 | 117 | 0.13 | 28,77,410 | 0.82 |
| 30,001 – 40,000 | 53 | 0.06 | 18,46,553 | 0.52 |
| 40,001 – 50,000 | 40 | 0.05 | 17,94,049 | 0.51 |
| 50,001 – 1,00,000 | 70 | 0.08 | 50,51,929 | 1.43 |
| 1,00,001 and above | 106 | 0.12 | 29,82,44,931 | 84.64 |
| **Total** | **87,511** | **100.00** | **35,23,81,270** | **100.00** |

| | | |
|---|---|---|
| **Dematerialization of securities** | : | The Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on 31st March 2025, out of the total 35,23,81,270 equity shares held by about 87,511 (PY 55,041) shareholders, 35,07,21,570 (PY 35,05,20,490) equity shares held by 86,065 (PY 53,396) shareholders representing 99.53% (PY 99.47%) of the total paid-up equity capital have been dematerialized.<br><br>The Promoters hold their entire equity shareholding in the Company in dematerialized form. |

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

| S. No. | Particulars | Details of shares transferred pursuant to SEBI Circular dated January 25, 2022 | |
|---|---|---|---|
| | | No. of shareholders | No. of shares* |
| i) | Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year | 2 | 880 |
| ii) | Number of shareholders whose shares were transferred to suspense account during the year | - | - |
| iii) | Number of shareholders who approached listed entity for transfer of shares from suspense account during the year | - | - |
| iv) | Number of shareholders to whom shares were transferred from suspense account during the year | - | - |
| v) | Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year | 2 | 880 |

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

# Corporate Governance Report

## 7. Hedging of Risks

The Company has in place a Board approved policy which establishes the risk management framework and defines the procedures and controls for effective management of risks 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 foreign currencies.

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

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

## 8. Credit Ratings

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

| Particulars | Rating |
|---|---|
| Total facilities rated | ₹ 2,845.50 crore |
| Long Term | CRISIL AA-/Stable |
| Short Term | CRISIL A1+ |

## 9. Disclosures

### a) Related Party Transactions

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

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 35 of Standalone Financial Statements, forming part of the Annual Report.

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

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

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

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, fines were imposed on the Company by Stock Exchange or SEBI other or any statutory authority, on any matter related to capital markets.

### c) Whistle Blower policy

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

### d) Compliance

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

Listing Regulations: There is no non-compliance of any of the requirements of Corporate Governance for the year under review as required under the Listing Regulations.

Apart from the above, the Company has also adopted the discretionary requirements of

# Corporate Governance Report

having unqualified financial statements and the Internal Auditor reporting directly to the Audit Committee.

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

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

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

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

In accordance with above provisions, the Company has transferred the unpaid dividend till the F.Y. 2016-17 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till 31.03.2025, the Company has transferred 20,08,800 shares to IEPF.

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

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

e) Material financial & commercial transactions by Senior Management

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

f) Governance Policies

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

- ✓ Code of Conduct and Ethics
- ✓ Corporate Social Responsibility Policy
- ✓ Vigil Mechanism
- ✓ Policy for determining Material Subsidiaries
- ✓ Insider Trading Prohibition Code
- ✓ Policy and Procedure for Inquiry in case of Leak of UPSI or Suspected Leak of UPSI
- ✓ Board Diversity & Evaluation Policy
- ✓ Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- ✓ Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions

g) Web-links

1. Material Subsidiary Policy
2. Related Party Transaction Policy

# Corporate Governance Report

3. Dividend distribution Policy
4. Other policies

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

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

i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part amounts to ₹ 0.54 crore (Gross).

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

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

| S. No. | Name | Nature | Amount (₹ crore)* |
|---|---|---|---|
| 1 | Sarda Hydro Power LLP | Loan | 4.69 |
| 2 | Chhatisgarh Investments Limited | Loan | 285.60 |

* Outstanding as on 31.03.2025

l) Details of material subsidiaries of the Company and their auditors:

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

m) Certificate from practising Company secretary

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

## CERTIFICATE

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

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

For, **S.G. KANKANI & ASSOCIATES**
*COMPANY SECRETARIES*
FRN: P1998CG012600
PR: 1396/2021

**(CS KAMLESH OJHA)**
*PARTNER*
FCS No.: 10807
CP No. : 14660
UDIN: F010807G000914743

Place: Raipur (C.G.)
Date: 1st August, 2025

n) Plant Location

a) Industrial Growth Centre
Siltara, Raipur (C.G). 493 111

b) Kharsia, Vill Badejampali
Binjkot, Kharsia, Raigarh, (C.G.)

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

# Corporate Governance Report

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of Sarda Energy & Minerals Limited**

1. This certificate is issued in accordance with the terms of our engagement letter, dated 2nd August, 2025.

2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Limited ('the Company') for the year ended on 31st March 2025, 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 2025.

   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, **Singhi & Co.**
*Chartered Accountants*
(ICAI Firm Reg. No. 302049E)

**Sd/-**
**(Sanjay Kumar Dewangan)**
*Partner*
M.No.409524
UDIN: 25409524BMJDMY6580

Raipur
2rd August 2025

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L27100MH1973PLC016617 |
| 2 | Name of the Listed Entity | Sarda Energy & Minerals Limited |
| 3 | Date of Incorporation | 23-06-1973 |
| 4 | Registered office address | 73/A, Central Avenue, Nagpur (MH)-440018 |
| 5 | Corporate address | Sarda Energy & Minerals Limited<br>Industrial Growth Centre,<br>Siltara, Raipur (Chhattisgarh) - 493111 |
| 6 | E-mail | cs@seml.co.in |
| 7 | Telephone | +91 771-2216100 |
| 8 | Website | www.seml.co.in |
| 9 | Financial year for which reporting is being done | 2024-25 |
| 10 | Name of the Stock Exchange(s) where shares are listed | 1. BSE Limited<br>2. National Stock Exchange of India Limited |
| 11 | Paid-up Capital | ₹ 35,23,81,270/- |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | BRSR Head<br>Mr. Manoj Kumar Shah<br>Head Operations<br>mshah@seml.co.in<br>+91 771-2216100 |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | Standalone<br>Though the subsidiaries are not included in BRSR, they do strive to carry out their business in a sustainable manner. |
| 14 | Whether the company has undertaken assessment or assurance of the BRSR Core? | No |
| 15 | Name of assessment or assurance provider | - |
| 16 | Type of assessment or assurance obtained | - |

### II. Products/services

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Iron and steel | 47.13% |
| | | Ferro Alloys | 16.52% |
| | | Power | 31.69% |

# Business Responsibility & Sustainability Report

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

| Sl. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Power | 35102 | 31.69% |
| 2 | Pellet | 24109 | 13.41% |
| 3 | Sponge Iron | 24102 | 8.69% |
| 4 | Steel Billets | 24103 | 3.52% |
| 5 | Wire Rod / HB Wire | 24105 | 21.51% |
| 6 | Ferro Alloys | 24104 | 16.52% |

## III. Operations

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

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 5 | 3 | 8 |
| International | - | - | - |

20. Markets served by the entity

a. Number of locations

| Locations | Number |
|---|---|
| National | 14 |
| International | 11 |

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

3.01%.

c. A brief on types of customers

Iron ore pellet is supplied to sponge iron plants mostly located in nearby area. Our customers of Sponge Iron, Billets, Wire rods & HB Wires are mostly small and medium scale companies engaged in downstream products in vicinity. We supply ferro alloys mainly to large steel mills and some quantity to smaller steel mills also. In export market, we supply ferro alloys to large steel mills and multinational trading houses.

Eco bricks are supplied to end use customers including corporates in real estate sector and individuals.

Power is being sold mainly to state distribution utilities.

## IV. Employees

21. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) | No. (H) | % (H / A) |
| EMPLOYEES | | | | | | | | |
| 1 | Permanent (D) | 1498 | 1468 | 98.00% | 30 | 2.00% | - | - |
| 2 | Other than Permanent (E) | - | - | - | - | - | - | - |
| 3 | Total employees (D + E) | 1498 | 1468 | 98.00% | 30 | 2.00% | - | - |
| WORKERS | | | | | | | | |
| 4 | Permanent (F) | 407 | 407 | 100% | - | - | - | - |
| 5 | Other than Permanent (G) | 3085 | 2974 | 96.40% | 111 | 3.60% | - | - |
| 6 | Total workers (F + G) | 3492 | 3381 | 96.82% | 111 | 3.18% | - | - |

# Business Responsibility & Sustainability Report

b. Differently abled Employees and workers

| S. No. | Particulars | Total (A) | Male | | Female | | Other | |
|---|---|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) | No. (H) | % (H / A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | | | |
| 1 | Permanent (D) | 3 | 2 | 66.67% | 1 | 33.33% | - | - |
| 2 | Other than Permanent (E) | - | - | - | - | - | - | - |
| 3 | Total differently abled employees (D + E) | 3 | 2 | 66.67% | 1 | 33.33% | - | - |
| DIFFERENTLY ABLED WORKERS | | | | | | | | |
| 4 | Permanent (F) | 5 | 5 | 100% | - | - | - | - |
| 5 | Other than Permanent (G) | 5 | 5 | 100% | - | - | - | - |
| 6 | Total differently abled workers (F + G) | 10 | 10 | 100% | - | - | - | - |

22. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8 | 1 | 12.50% |
| Key Management Personnel | 1* | - | - |

* Excluding KMPs included in Board of directors

23. Turnover rate for permanent employees and workers

| | FY 2024-25 (Turnover rate in current FY) | | | FY 2023-24 (Turnover rate in previous FY) | | | FY 2022-23 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 7.60% | - | 7.60% | 5.47% | 1.00% | 5.50% | 5.73% | 30.00% | 5.96% |
| Permanent Workers | 5.40% | - | 5.40% | 4.27% | - | 4.27% | 4.70% | - | 4.70% |

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

24. Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / Subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Sarda Energy & Minerals Hongkong Limited | Subsidiary | 100% | No |
| 2 | Sarda Global Venture Pte. Limited | Subsidiary | 100% | No |
| 3 | Sarda Global Trading DMCC | Subsidiary | 100% | No |
| 4 | Sarda Metals & Alloys Limited | Subsidiary | 100% | No |
| 5 | Sarda Energy Limited | Subsidiary | 100% | No |
| 6 | Kalyani Coal Mining Private Limited | Subsidiary | 100% | No |

# Business Responsibility & Sustainability Report

| S. No. | Name of the holding / Subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 7 | Madhya Bharat Power Corporation Limited | Subsidiary | 84.65%* | No |
| 8 | Parvatiya Power Limited | Subsidiary | 51% | No |
| 9 | Sarda Hydro Power LLP | Subsidiary | 60% | No |
| 10 | Chhattisgarh Hydro Power LLP | Subsidiary | 100%* | No |
| 11 | Shriram Electricity LLP | Subsidiary | 51% | No |
| 12 | Natural Resources Energy Private Limited | Subsidiary Joint Venture | 51% | No |
| 13 | Raipur Infrastructure Company Limited | Joint Venture | 33.33% | No |
| 14 | Madanpur South Coal Company Limited | Joint Venture | 20.13% | No |
| 15 | Bartunga Coal Private Limited | Joint Venture | 67% | No |

* Holding including holding by WOS

**VI. CSR Details**

25. Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

    (i) Turnover in ₹ crore 3,484.17

    (ii) Net worth in ₹ crore 5,819.01

**VII. Transparency and Disclosures Compliances**

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No/ NA) | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | | (if NA then provide the reason) |
|---|---|---|---|---|---|---|---|---|
| | (If Yes, then provide web-link for grievance redress policy) | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | |
| Communities | Yes, Whistle blower policy link https://seml.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf | NIL | NIL | – | NIL | NIL | – | |
| Investors (other than shareholders) | | NIL | NIL | – | NIL | NIL | – | |
| Shareholders | SCORES Portal / SMART ODR Portal | 12 | 1 | Pending complaint resolved in April 2025 | 5 | 0 | – | |

# Business Responsibility & Sustainability Report

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No/ NA) | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | | (if NA then provide the reason) |
|---|---|---|---|---|---|---|---|---|
| Employees and workers | Yes, Whistle blower policy link https://seml.co.in/Corporate%20Governance/Vigil%20Mechanism.pdf | NIL | NIL | – | NIL | NIL | – | |
| Customers | | 34 | 0 | – | 17 | 0 | – | |
| Value Chain Partners | | NIL | NIL | – | NIL | NIL | – | |
| Other (please specify) | | NIL | NIL | – | NIL | NIL | – | |

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

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

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

# Business Responsibility & Sustainability Report

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

# Business Responsibility & Sustainability Report

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA) | Yes | | | | | | | | |
| b. Has the policy been approved by the Board? (Yes/No/NA) | Yes | | | | | | | | |
| c. Web Link of the Policies, if available | Policies are available under the Investors' Section on the website of the Company – www.seml.co.in | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No/NA) | Yes | | | | | | | | |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No/NA) | No | | | | | | | | |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | The policies are based on NGRBC | | | | | | | | |
| 5. Specific commitments, goals and targets set by the entity with defined timelines, if any. | ✓ The Company has planned to replace its old Seimens TG (Turbo Generator) with high efficiency BHEL TG in first half of FY27.<br>✓ In ferro alloys, the Company has planned to upgrade its existing GCP (gas cleaning plant) and cooling system to reduce the fugitive emission surrounding the furnace area to minimum level by end of FY26<br>✓ In Ferro alloys the bus bar system will be replaced with bus tube system for better energy efficient operation by end of FY26.<br>✓ The Company is installing 50 MW Solar unit to increase the usage of green energy.<br>✓ Baseline energy audit of our IPP has been completed for PAT cycle-09. It is expected that the plant will get notified for PAT cycle-09 by BEE. Consequently "Mandatory Energy Audit" (MEA) will be conducted by third party and all recommendations from the audit will be implemented within PAT cycle of 3 years.<br>✓ the Company is replacing fuel operated material handling vehicles with Electric battery operated in gradual manner<br>✓ The Company has planned to achieve reduction in APC by 0.5% by end of 2025-26 | | | | | | | | |
| 6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. | There is Continual improvement in operational performance by optimization of resources and real time monitoring. Various related activities are ongoing. The Company expects to meet the deadlines fixed by it. | | | | | | | | |

# Business Responsibility & Sustainability Report

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| Governance, leadership and oversight | | | | | | | | | |
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) | We have long recognized the importance of Environment, Social and Governance (ESG). We have worked upon bringing positive change, not just within the industry but also in the communities where we operate. We focus on waste recycling and run waste to wealth programmes to achieve 100% waste utilization. As the shift to a low-carbon economy is likely to unfold faster, the implications on steel & Power sector shall be profound. We take cognisance of reduction in pollution to meet the evolving stakeholder expectations. We continue to seek innovative ways for this transition, through experimentation and investment. While the Company explores sustainable alternatives to traditional steel production methods, it is concurrently investing in new and efficient production methods. We also ensure to safeguard the flora and fauna in the course of our operations.<br><br>We endeavour to improve health and safety, and community well-being along with workforce diversity and inclusion.<br><br>We follow high governance practices in our operations. We recognize the criticality of governance challenges relating to business ethics, ever-evolving compliance landscape, and the imperative of improved disclosures. To effectively mitigate these challenges, we have in place Code of Conduct for promoting transparency and accountability.<br><br>Our efforts towards ESG serves as a catalyst for our long-term success and resilience in the face of evolving market dynamics. | | | | | | | | |
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | The Board of Directors of the Company is the highest authority responsible for the oversight of the implementation of Business Responsibility policies. The Chairman of the Company is the highest authority responsible for implementation of all policies in the Company. | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/NA). If yes, provide details. | No. The Board and the other Statutory Committees take care of sustainability related issues. | | | | | | | | |

# Business Responsibility & Sustainability Report

10. Details of Review of NGRBCs by the Company:

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

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

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

# Business Responsibility & Sustainability Report

## SECTION C: MANAGEMENT AND PROCESS DISCLOSURES

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

### Essential Indicators

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

| Segment | Total No of Training & awareness Programmes held | Topics / principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 6 | Management, Technical | 100.00% |
| Key Managerial Personnel | 10 | Management, Technical | 100.00 % |
| Employees other than BoD and KMPs | 680 | Managerial, Technical Safety, Occupational Health, Behaviors & Motivational | 86.75% |
| Workers | 225 | | 84.52% |

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

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

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

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

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

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

# Business Responsibility & Sustainability Report

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

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 1 |
| Workers | 0 | 5 |

6. Details of complaints with regard to conflict of interest

| | FY 2024-25 | | FY 2023-24 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | – | 0 | – |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | – | 0 | – |

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

   Not Applicable

8. Number of days of accounts payables

| S. No. | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| i | Accounts payable*365 Days (₹ in crore) | 87.52 | 61.66 |
| ii | Cost of goods/services procured (₹ in crore) | 1,992.72 | 1758.03 |
| iii | Number of days of accounts payables | 16 days | 13 days |

9. Open-ness of business

   Provide details of concentration of purchases and sales with trading houses, dealers, and related parties alongwith loans and advances & investments, with related parties, in the following format:

| Parameter | | | Metrics | FY 2024-25 | FY 2023-24 |
|---|---|---|---|---|---|
| Concentration of Purchases | a) | i | Purchases from trading houses | 732.05 | 596.55 |
| | | ii | Total Purchases | 1582.44 | 1368.23 |
| | | iii | Purchases from trading houses as % of total purchases | 46.26% | 43.60% |
| | b) | | Number of trading houses where purchases are made from. | 599 | 607 |
| | c) | i | Purchases from top 10 trading houses | 472.90 | 416.29 |
| | | ii | Total purchases from trading houses | 732.05 | 597.31 |
| | | iii | Purchases from top 10 trading houses as % of total purchases from trading houses. | 64.60% | 69.69% |

# Business Responsibility & Sustainability Report

| | | | | | |
|---|---|---|---|---|---|
| Concentration of Sales | a) | i | Sales to dealers/ distributors | 795.13 | 527.25 |
| | | ii | Total Sales | 3475.96 | 2719.23 |
| | | iii | Sales to dealers/ distributors as % of total sales | 22.88% | 19.39% |
| | b) | | Number of dealers / distributors to whom sales are made | 309 | 274 |
| | c) | i | Sales to top 10 dealers / distributors | 270.77 | 164.36 |
| | | ii | Total Sales to dealer/distributors | 795.13 | 527.25 |
| | | iii | Sales to top 10 dealers / distributors as % of total sales to dealers /distributors | 34.05% | 31.17% |
| Share of RPTs in | a) | i | Purchases (Purchases with related parties) | 7.19 | 44.19 |
| | | ii | Total Purchases | 1582.44 | 1368.23 |
| | | iii | Purchases (Purchases with related parties as % of Total Purchases) | 0.45% | 3.23% |
| | b) | i | Sales (Sales to related parties) | 54.40 | 77.77 |
| | | ii | Total Sales | 3475.96 | 2719.23 |
| | | iii | Sales (Sales to related parties as % of Total Sales) | 1.57% | 2.86% |
| | c) | i | Loans & advances given to related parties | 438.22 | 558.69 |
| | | ii | Total loans & advances | 613.04 | 667.62 |
| | | iii | Loans & advances given to related parties as % of Total loans &advances) | 71.48% | 83.68% |
| | d) | i | Investments in related parties | 1072.82 | 985.24 |
| | | Ii | Total Investments made | 1428.94 | 1400.93 |
| | | Iii | Investments in related parties as % of Total Investments made) | 75.08% | 70.33% |

## Leadership Indicators

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

| Total number of awareness programmes held | Topics / principles covered under the training | % of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 04 | Awareness on Labour Laws & Principles | 8.90% |

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

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

# Business Responsibility & Sustainability Report

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

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

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

| | FY 2024-25 | FY 2023-24 | Details of improvements in environmental and Social impacts |
|---|---|---|---|
| R&D | Not quantified | Not quantified | Internal team undertakes the R & D activities on a continuous basis, to recycle waste, reduce natural resource consumption including power, water and air, achieve efficiency in operations. |
| Capex | 9.66% | 16.48% | Reduction in environment pollution, efficiency in production, reduction in water consumption. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

   No. However, the Company expects its suppliers & transporters to abide by its ethical, social, safety, and security standards for transparent, hassle-free, and long-term business relationships. The Company takes effort to ensure that its suppliers & transporters are compliant in areas such as child labour, forced or compulsory labour, health & safety & hospitality, and human rights etc.

   b. If yes, what percentages of inputs were sourced sustainably?

   Not applicable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   The plastic waste, E-waste and hazardous waste left over after reuse / recycle in production process is disposed of through authorized/registered recyclers/disposers. All non-hazardous waste is either recycled and reused in its own operations for brick making/road making or sold as co-products to other industries, with the largest customer being the cement industry.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

   Yes. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?? If yes, provide details in the following format?

   No.

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

# Business Responsibility & Sustainability Report

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

| Name of Product / Service | Description of the risk / concern | Action taken |
|---|---|---|
| The Company has not conducted LCA for its products. | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2024-25 | FY 2023-24 |
| Fly Ash/Bed Ash | 10.36% | 13.83% |
| Char/Dolochar | 1.30% | 0.45% |
| Silico Slag | 18.98% | 20.02% |
| MNO Slag | 4.39% | 10.00% |
| Induction Slag | 8.20% | 3.36% |
| Mill Scale | 0.20% | 0.18% |
| End Cutting Scrap | 0.78% | 0.81% |

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

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Used oil / Greases | 1.05 | - | 31.23 | - | - | 27.90 |
| Spent iron exchange resin containing toxic metal | - | - | - | - | - | 0.24 |
| Exhaust Air or Gas cleaning residue (Coal tar from gasifier) | - | - | 1893.97 | - | - | 1902.70 |
| Residue or sludge Containing phenol (Phenolic water) | - | - | 331.60 | - | - | 336.70 |
| E - Waste | - | - | 7.51 | - | - | 2.07 |
| Battery Waste | - | - | 7.14 | - | - | 3.06 |

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

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

# Business Responsibility & Sustainability Report

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

## Essential Indicators

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

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent employees | | | | | | | | | | | |
| Male | 1468 | 1468 | 100% | 1468 | 100% | - | - | - | - | - | - |
| Female | 30 | 30 | 100% | 30 | 100% | 30 | 100% | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1498 | 1498 | 100% | 1498 | 100% | 30 | 100% | - | - | - | - |
| Other than Permanent employees | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |

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

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B / A) | Number (C) | % (C / A) | Number (D) | % (D / A) | Number (E) | % (E / A) | Number (F) | % (F / A) |
| Permanent Workers | | | | | | | | | | | |
| Male | 407 | 407 | 100% | 407 | 100% | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| Total | 407 | 407 | 100% | 407 | 100% | - | - | - | - | - | - |
| Other than Permanent Workers | | | | | | | | | | | |
| Male | 2974 | 2974 | 100% | 2974 | 100% | - | - | - | - | - | - |
| Female | 111 | 111 | 100% | 111 | 100% | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| Total | 3085 | 3085 | 100% | 3085 | 100% | - | - | - | - | - | - |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| i. | Cost incurred on wellbeing measures (well-being measures means well-being of the employees and workers (including male, female, permanent and other than permanent employees and workers) (₹ in crore) | 4.50 | 3.76 |
| ii. | Total revenue of the Company (₹ in crore) | 3,603.87 | 2,918.50 |
| iii. | Cost incurred on well- being measures as a % of total revenue of the Company | 0.12% | 0.13% |

# Business Responsibility & Sustainability Report

2. Details of retirement benefits

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of Total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of Total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 98.73% | 100% | Y | 97.67% | 100.00% | Y |
| Gratuity | 89.45% | 100% | Y | 100.00% | 100.00% | Y |
| ESI | 15.82% | 89.31% | Y | 10.90% | 23.29% | Y |
| Others, please specify | | | | | | |
| GPA | 22.68% | - | Y | - | - | Y |
| GMC | 10.34% | - | Y | - | - | Y |
| NPS | 11.44% | - | Y | 6.70 % | - | Y |
| Superannuation | 1.87% | - | Y | 1.72 % | - | Y |

3. Accessibility of workplaces

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

Yes. Additional places are being covered, depending upon requirement.

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

No.

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

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

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

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

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

# Business Responsibility & Sustainability Report

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

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers n respective category (A) | No. of employees / Workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of Employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | Not Applicable | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Other | | | | | | |
| Total Permanent Workers | | | | | | |
| Male | | | | | | |
| Female | | | | | | |
| Other | | | | | | |

8. Details of training given to employees and workers

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill Up gradation | | Total (D) | On Health and safety measures | | On Skill Up gradation | |
| | | No. (B) | % (B / A) | No (C) | % (C/A) | | No. (E) | % (E / D) | No (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 1468 | 1289 | 87.81% | 875 | 59.60% | 1063 | 780 | 73.37% | - | - |
| Female | 30 | 29 | 96.67% | 13 | 43.33% | 10 | 06 | 60.00% | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total | 1498 | 1318 | 87.98% | 888 | 59.28% | 1073 | 786 | 73.25% | - | - |
| Workers | | | | | | | | | | |
| Male | 407 | 385 | 94.59% | 258 | 63.39% | 434 | 434 | 100% | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Total | 407 | 385 | 94.59% | 258 | 63.39% | 434 | 434 | 100% | - | - |

# Business Responsibility & Sustainability Report

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

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total | No | % | Total | No | % |
| Employees | | | | | | |
| Male | 1468 | 1434 | 97.68% | 1063 | 816 | 76.76% |
| Female | 30 | 30 | 100% | 10 | 7 | 70% |
| Other | - | - | - | - | - | - |
| Total | 1498 | 1464 | 97.73% | 1073 | 823 | 76.70% |
| Workers | | | | | | |
| Male | 407 | 389 | 95.58% | 434 | 434 | 100% |
| Female | - | - | - | - | - | - |
| Others | - | - | - | - | - | - |
| Total | 407 | 389 | 95.58% | 434 | 434 | 100% |

10. Health and safety management system:

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

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

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

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

a) Hazard Identification & Risk Assessment
b) Quantitative Risk Assessment
c) Job Safety Analysis
d) Inspections
e) Audits
f) Safety Observation System

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

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

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

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

# Business Responsibility & Sustainability Report

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

Yes

11. Details of safety related incidents

| Safety Incident/Number | Category | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 1 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

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

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

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

| | FY 2024-25 Current Financial Year | | | FY 2023-24 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | Nil | – | Nil | Nil | – |
| Health & Safety | Nil | Nil | – | Nil | Nil | – |

14. Assessments for the year

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

*All plants have been assessed by internal teams for Health & Safety practices and also for working conditions. Additionally, plant at Raipur has been assessed for Health & Safety practices and also the working conditions by competent person registered with CG Labor Department.

# Business Responsibility & Sustainability Report

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

    1. All safety related accidents are investigated and learning's from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of corrective action deployment is checked during Safety Audits.
    2. Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through elimination of manual job through use of Technology/Digitization, Safety Capability Building, Monitoring and supervision, etc.
    3. Based on the reports of health check-up camps, counseling of workers/employee is done from time to time and in required cases, suitable/proper medical check-up of the worker/employee is done.

## Leadership Indicators

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

   A. Employees – Yes

   B. Workers - Yes

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

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

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

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2024-25 | FY 2023-24 | FY 2024-25 | FY 2023-24 |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?(Yes/No/NA)

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

5. Details on assessment of value chain partners:

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

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

# Business Responsibility & Sustainability Report

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

   Please refer point 15 of this principal.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

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

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

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

# Business Responsibility & Sustainability Report

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/ No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half Yearly/ Quarterly/ Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Communities and Civil Society | No | Need assessment, meetings and briefings, Partnerships in community development projects, Training and workshops, Impact assessment surveys, Official communication channels: Advertisements, publications, website, Complaints and grievance mechanism | Frequent and as and when required | Community development through CSR projects. Impact assessment of our business. Upliftment of downtrodden. |
| Suppliers | No | Vendor assessment and review, seminars, Official communication channels, Exhibitions Advertisements, publications, website | As and when required | To make that part of our growth journey, new vendor / product development, Technical support. Grievance redressal |

### Leadership Indicators

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

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

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

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

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

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

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

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B / A) | Total (C) | No. of employees/ workers covered (D) | % (D / C) |
| EMPLOYEES | | | | | | |
| Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Other than Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Employees | Nil | Nil | Nil | Nil | Nil | Nil |
| WORKERS | | | | | | |
| Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Other than Permanent | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Workers | Nil | Nil | Nil | Nil | Nil | Nil |

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

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No (C) | % (C/A) | | No. (E) | % (E / D) | No (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | - | - | - | - | - | - | – | – | - | - |
| Male | 1468 | - | - | 1468 | 100% | 1063 | – | – | 1063 | 100% |
| Female | 30 | - | - | 30 | 100% | 10 | – | – | 10 | 100% |
| Other | - | - | - | - | - | - | - | - | - | - |
| Other Than Permanent | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 407 | - | - | 407 | 100% | 434 | - | - | 434 | 100 % |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - |

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| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No (C) | % (C/A) | | No. (E) | % (E / D) | No (F) | % (F/D) |
| Other Than Permanent | | | | | | | | | | |
| Male | 2974 | 2374 | 79.83% | 600 | 20.17% | 1940 | 1875 | 96.65% | 65 | 3.35% |
| Female | 111 | 111 | 100% | - | - | 75 | 75 | 100.00% | – | – |
| Other | - | - | - | - | - | - | - | - | - | - |

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

   a. Median remuneration/wages:

| | Male | | Female | | Other | |
|---|---|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD) | 7 | 23,90,000/- | 1 | 16,10,000/- | - | - |
| Key Managerial Personnel | 1 | 28,89,992/- | - | - | - | - |
| Employees other than BoD and KMP | 1464 | 5,41,392/- | 30 | 3,09,105/- | - | - |
| Workers | 407 | 3,49,819/- | - | - | - | - |

   b. Gross wages paid to females:

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Gross wages paid to females (₹ in crore) | 2.83 | 0.39 |
| Total wages (₹ in crore) | 162.10 | 77.04 |
| Gross wages paid to females (gross wages paid to females as % of total wages) | 1.74% | 0.51% |

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

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

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

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

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

# Business Responsibility & Sustainability Report

| | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| Child Labour | Nil | Nil | - | Nil | Nil | - |
| Forced Labour/ Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other Human Rights related issues | Nil | Nil | - | Nil | Nil | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | - | - |
| ii) Average number of female employees/workers at the beginning of the year and as at end of the year | 149 | 84 |
| iii) Complaints on POSH as a% of female employees / workers | - | - |
| iv) Complaints on POSH upheld | - | - |

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

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

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

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

10. Assessments for the year:

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

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

    No significant risks or concerns arise from the Assessments

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### Leadership Indicators

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

   Not required.

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

   None

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

   Yes. Additional places are being covered, depending upon requirement.

4. Details on assessment of value chain partners:

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

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

   No significant risks or concerns arose from the Assessments

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

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

   Whether total energy consumption and energy intensity is applicable to the Company? –

   Yes

| | | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Revenue from operations | | 3484.17 | 2733.45 |

| Parameter | Units | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| **From renewable sources** | | | |
| Total electricity consumption (A)** | GJ | 0.54 | 0.57 |
| Total fuel consumption (B)*** | - | - | - |
| Energy consumption through other sources (C) | - | - | - |
| Total energy consumed from renewable sources (A+B+C) | GJ | 0.54 | 0.57 |
| **From non-renewable sources** | | | |
| Total electricity consumption (D) | GJ | 897544.74 | 192280.32 |
| Total fuel consumption (E) | GJ | 37158804.28 | 16191934.18 |
| Energy consumption through other sources (F) | - | - | - |
| Total energy consumed from non-renewable sources (D+E+F) | GJ | 38056349.02 | 16384214.50 |
| Total energy consumed (A+B+C+D+E+F) | GJ | 38056349.56 | 16384215.07 |

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| Parameter | Units | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | GJ/₹ | 0.00109 | 0.00060 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) | - | - | - |
| Energy intensity in term of physical Output | - | - | - |

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

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

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

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

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

   Yes, our manufacturing facility is identified as DC for PAT CYCLE – VII A. Target set under PAT scheme – 0.5802 TOE/Tonne. Following the completion of the M&V audit, we are pleased to report that for the assessment year FY 2024-25, we have successfully achieved a target of 0.5787 TOE/Tonne

   Further, against target of 2683.68 kcal/kwh, we achieved 2643.7 kcal/kwh.

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

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 8271693 | 2631673 |
| (ii) Ground water | 47253 | 27112 |
| (iii) Third party water | 25356 | 25370 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 8344302 | 2684155 |
| Total volume of water consumption (in kilolitres) | 8344302 | 2684155 |
| Water intensity per rupee of Turnover (Water consumed / Revenue from operations) | 0.000239 | 0.000010 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumed/Revenue from operations adjusted for PPP) | - | - |
| Water intensity in term of physical Output | - | - |

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

No.

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4. Provide the following details related to water discharged:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | NA | NA |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) To Groundwater | NA | NA |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) To Seawater | NA | NA |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | NA | NA |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | NA | NA |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | **-** | **-** |

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

No.

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

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

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

   Whether air emissions (other than GHG emissions) by the entity is applicable to the company ?

   Yes

| Parameter | Please specify unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| NOx | Tonnes/day | 7.82 | 1.85 |
| SOx | Tonnes/day | 13.63 | 2.96 |
| Particulate matter (PM) | Tonnes/day | 0.985 | 0.46 |
| Persistent organic pollutants (POP) | NA | NA | NA |
| Volatile organic compounds (VOC) | NA | NA | NA |
| Hazardous air pollutants (HAP) | NA | NA | NA |
| Others-please specify | NA | NA | NA |

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

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

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

   Whether green house gas emissions (Scope 1 and Scope 2 emissions) & intensity is applicable to the company?

   Yes

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | Not yet assessed | |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | | |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from Operations) | | | |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from Operations adjusted for PPP) | | | |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | | |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

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

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

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

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

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

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 1.00 | 1.00 |
| E-waste (B) | 7.27 | 2.07 |
| Bio-medical waste (C) | 0.03 | 0.011 |
| Construction and demolition waste (D) | NA | NA |
| Battery waste (E) | 7.13 | 3.06 |

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| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste.<br>Please Specify, if any. (G)<br>1. Used Oil / Greases<br>2. Spent iron exchange resin containing toxic metal<br>3. Exhaust Air or Gas cleaning residue (Coal tar from gasifier)<br>4. Residue or sludge Containing phenol (Phenolic water) | <br><br>31.23<br>0<br>1873.90<br>331.60 | <br><br>27.90<br>0.24<br>1902.70<br>336.70 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 1494774 | 517195.29 |
| Total (A+B + C + D + E + F + G + H) | 1497026.16 | 519468.97 |
| Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations) | 0.000043 | 0.000019 |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)<br>(Total waste generated/Revenue from operations adjusted for PPP) | - | - |
| Waste intensity in terms of physical output | - | - |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 117918.00 | 152747.20 |
| (ii) Re-used | 76064.00 | 51748.92 |
| (iii) Other recovery operations | 0 | 0 |
| Total | 193982.00 | 204496.12 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 0 | 0 |
| (ii) Land filling | 0 | 0 |
| (iii) Other disposal operations | 147936 | 314972.85 |
| Total | 147936 | 314972.85 |

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

No independent assessment has been carried out by external agency.

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

    The Company has promoted waste management practices aimed to achieve maximum waste utilization / recycling for sustainable and responsible business operation. The major waste stream at Power Plant is ash (fly ash +bottom ash) and the Company has achieved 100% fly ash utilization in FY25. The slag generated in production of steel and ferro alloys is also used in brick making and road construction.

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| | |
|---|---|
| **Hazardous waste** | |
| Tarry residues waste | Sold to Authorized Vender/Recycler & Co-processing in cement kiln |
| Used / Spent Oil | Sold to Authorized Vender/Recycler |
| Spent iron exchange resin containing toxic metal | Utilization for energy recovery in boiler for steam or power generation. |
| **Non Hazardous waste** | |
| Char & Dolochar | The Dolochar is used as fuel in our power plant for power generation. The balance amount of Dolochar is sold to the various parties.<br>Char is also sold to the various parties. No dumping or storage of Char/Dolochar is practiced. |
| Dust collected from Pollution Control Units / Equipments | ESP dust of WHRB is mixed with fly ash and utilized for Bricks manufacturing in our bricks plant. Dust generated from various bag houses in the plant is also being used for making of bricks, tiles, blocks, etc. within the plant premises. The dust collected in bag house of ferro alloys plant is recycled by making sinter for recovery of manganese. |
| Fly ash and bottom ash | The fly ash is being utilized for bricks, tiles, blocks etc. and is also sold to cement plants, for road construction and filling of low lying area. |
| Slag from process Ferro Manganese Silico-Manganese | We are producing both Ferro Manganese and Silico-Manganese; the Ferro Manganese slag is being utilized as raw material for production of Silico-Manganese in the Ferro Alloys Plant.<br>The iron slag is crushed and magnetic slag is separated for recycling in steel making. Residue is used in bricks, blocks and tiles making as replacement of sand / sold in the market. Slag is also regularly lifted by local road contractor. |
| Mill Scale | Recycled for recovery of iron in manufacturing process. |
| End Cutting / Misrole (Cobble) | Used as a raw material for small rolling mills or fed into our Induction Furnaces for remelting. |
| Hot Out | Reused in the Rolling Mill |

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

    Not Applicable.

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

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

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| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Enhancement in capacity of existing Coal Washery Plant from 0.96 MTPA to 5.2 MTPA in two Phases (Phase – I : 0.96 MTPA to 1.8 MTPA and Phase -II : 1.8 MTPA to 5.2 MTPA at Tehsil-Tamnar, Dist - Raigarh (C.G.) | EIA notification 2006 and as amended | S.O. 1533 (E) 14th September 2006 and various amendments | Yes | Yes | https://parivesh.nic.in |
| Environment Clearance for titled 600 MW (2X300 MW) Coal Based Thermal Power Plant at Villages Binjkot and Darramura, Taluk Kharsia, District Raigarh, Chhattisgarh, transferred from M/s SKS Power Generation (Chhattisgarh) Limited to M/s. Sarda Energy and Minerals Limited dt. 07.12.2024 | | S.O. 1533 (E) 14th September 2006 and various amendments | | | https:/parivesh.nic.in |

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

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

### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in million liters):

   For each facility/plant located in areas of water stress, provide the following information:

   (i) Name of the area: Not Applicable

   (ii) Nature of operations: Not Applicable

   (iii) Water withdrawal, consumption and discharge in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water withdrawal by source (in kiloliters) | | |
| i. Surface water | - | - |
| ii. Groundwater | - | - |
| iii. Third party water | - | - |
| iv. Seawater / desalinated water | - | - |
| v. Others | - | - |
| Total volume of water withdrawal | - | - |
| Total volume of water consumption (in kiloliters) | - | - |
| Water intensity per rupee of turnover (Water consumed / turnover) | - | - |
| Water intensity (Optional) - the relevant metric may be selected by the entity | - | - |

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| Parameter | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Water discharge by destination and level of treatment | | |
| i. Into Surface water | | |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| ii. Into Groundwater | | |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| iii. Into Seawater | | |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| iv. Sent to third-parties | | |
| - No treatment | - | - |
| - With treatment - please specify level of treatment | - | - |
| v. Others | | |
| - No treatment | - | - |
| - With treatment - Water discharged is treated through ETP plants | - | - |
| Total water discharge (in kiloliters) | - | - |

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

   Whether total Scope 3 emissions & its intensity is applicable to the company?

   Yes.

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | | Not yet assessed | |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | | | |

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

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

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

   Not Applicable.

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

# Business Responsibility & Sustainability Report

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative | Corrective action taken, if any |
|---|---|---|---|---|
| 01 | EV Loader | Replacement of diesel with electricity in operating EV-Loader. EV Loader is a flexible and scalable solution for deploying electric vehicle (EV) charging infrastructure. | Electric loaders produce no emissions, Contributing to cleaner air and a reduced carbon footprint. | - |
| 02 | Gas Cleaning Plant | We have installed an improved dedicated gas cleaning plant dedicated for F/c A to reduce the dust emission. | Reduced the dust level to < 30 mg / Nm3 | - |
| 03 | Utilization of Waste (Pellet kiln Accretion) | Pellet kiln accretion was crushed to -10 mm size and consumed in grinding plant as raw material. | Material is used efficiently as a raw material. | - |

5. Does the entity have a business continuity and disaster management plan? Details of entity at which business continuity and disaster management plan is placed or weblink.

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

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

   A substantial part of power is generated using thermal coal. We are installing 50 MW solar power plant to reduce adverse impact to environment arising from consumption of grid power.

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

   Not evaluated

8. How many Green Credits have been generated or procured:

   a. By the listed entity

   b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

   The Company has generated and sold 4,058 green gas credits (IREC) against utilization of waste heat in sponge iron plant. The Company has also generated 1,08,160 KwH power through solar power plant. The Company has not assessed its value chain partners for green credits.

## PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

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

      19

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

# Business Responsibility & Sustainability Report

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

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

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

### Leadership Indicators

1. Details of public policy positions advocated by the entity

| Sl No | Public policy advocated | Method resorted for such advocacy | Whether information available in public domain? (yes/no) | Frequency of review by Board | Wen link, if available |
|---|---|---|---|---|---|
| None | | | | | |

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

### Essential Indicators

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

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

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

   Not applicable

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

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

# Business Responsibility & Sustainability Report

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

| | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 5.86 | 5.56 |
| Sourced directly from within the district and neighboring districts | 27.69 | 37.19 |

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2024-25 | FY 2023-24 |
|---|---|---|
| Rural | | |
| i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) | 24.75 | 2.15 |
| ii. Total Wage Cost | 122.30 | 77.04 |
| iii. % of Job creation in Rural areas | 37.11% | 2.45% |
| Semi-urban | | |
| i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) | 14.42 | 6.50 |
| ii. Total Wage Cost | 122.30 | 77.04 |
| iii. % of Job creation in Semi-Urban areas | 13.04% | 12.32% |
| Urban | | |
| i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) | 82 | 67.43 |
| ii. Total Wage Cost | 122.30 | 77.04 |
| iii. % of Job creation in Urban areas | 49.62% | 84.73% |
| Metropolitan | | - |
| i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) | 1.14 | 0.97 |
| ii. Total Wage Cost | 122.30 | 77.04 |
| iii. % of Job creation in Metropolitan areas | 0.23% | 0.49% |

## Leadership Indicators

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

   Not applicable.

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

| S. No. | State | Aspirational District | Amount spent (₹) |
|---|---|---|---|
| 1. | CG | Kabirdham (CG) | 59,63,915/- |

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No/NA)

   No, we do not have a policy on this as yet. However, we give preference to procure from suppliers comprising marginalized/ vulnerable groups.

# Business Responsibility & Sustainability Report

b. From which marginalized /vulnerable groups do you procure?

Jagriti SHG Group

c. What percentage of total procurement (by value) does it constitute?

Negligible

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

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

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

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

6. Details of beneficiaries of CSR Projects

| S. No. | CSR Project | No. of persons benefitted from CSR Project | % of beneficiaries from vulnerable and marginalized group |
|---|---|---|---|
| 1 | Education Project | 83139 | 43% |
| 2 | Health Care Project | 156101 | 51% |
| 3 | Infrastructure Project | 99352 | 52% |
| 4 | Art, Culture & Sport | 37132 | 41% |
| 5 | Livelihood Projects | 13760 | 37% |

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   All grievances could be submitted to the Marketing Head. The marketing team handles the grievances in a timely and appropriate manner. All such complaints and redressal are reviewed by the management at the highest level.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

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

# Business Responsibility & Sustainability Report

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

| Category | FY 2024-25 | | | FY 2023-24 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | There have been no consumer complaints received in respect of these practices. | | | There have been no consumer complaints received in respect of these practices. | | |
| Advertising | | | | | | |
| Cyber-security | | | | | | |
| Delivery of essential services | | | | | | |
| Restrictive Trade Practices | | | | | | |
| Unfair Trade Practices | | | | | | |
| Other | | | | | | |

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

| Category | Number | Reasons for Recall |
|---|---|---|
| Voluntary Recall | NIL | Not Applicable |
| Forced Recall | NIL | Not Applicable |

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

   Yes. Risk Management Policy of the Company covers cyber security aspects. The policy can be accessed at the following link – Risk management policy

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

   No action required.

7. Provide the following information relating to data breaches:

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

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

   c. Impact, if any, of the data breaches – **Not applicable**

## Leadership Indicators

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

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

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

   Not Applicable

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

   The Company is not dealing in essential services.

# Business Responsibility & Sustainability Report

Further, the Company is selling power to the distribution companies and as such is not require to put in place any mechanism for informing customers about any risk.

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

   The Company's products do not have any mandatory labelling requirements. However, while supplying Ferro Alloys to large OEM customers, we supply in 1mt jumbo bags which have the Company name embossed on it and also Company provides test certificates issued by in house testing lab and sometimes from the certified third parties containing quality parameters, as well as the chemical and physical properties of the product. The above information is also available in product brochures that are given to customers.

   Feedback is a continuous process at our operations, and we leverage feedback for continual improvement in product and service quality, for benchmarking ourselves with industry.

# Independent

**Auditors Report**

**TO THE MEMBERS OF**
**SARDA ENERGY & MINERALS LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **SARDA ENERGY & MINERALS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key audit matters

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Accounting for Acquisition - Business Combination of SKS Power Generation (Chhattisgarh) Limited (SKS).**<br><br>[Refer to Note 1.2.7 to the Standalone Financial Statements – "Business combination" and Note 35 to the Standalone Financial Statements].<br><br>On August 21, 2024, the Company completed the acquisition of business of SKS Power Generation (Chhattisgarh) Limited ("SKS"), pursuant to the approved resolution plan under the Insolvency and Bankruptcy Code, 2016 approved by National Company Law Tribunal (NCLT) Order dated August 13, 2024 and became the wholly owned subsidiary and subsequently, pursuant to the Order of National Company Law Tribunal (NCLT), SKS ("Transferor Company") was merged with the Company w.e.f. September 1, 2024. | **Our audit procedures included the following:**<br><br>• We understood the process from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the accounting of business combination.<br><br>• We have obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence.<br><br>• We have traced the value of the consideration transferred with reference to the resolution plan.<br><br>• We have traced the assets, liabilities, tax losses of SKS from the audited special purpose financial statements / financial information received from the management. |

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| | |
|---|---|
| The Company determined the acquisition to be business combination in accordance with Ind AS 103. Ind AS 103 requires the identified assets and liabilities be recognized at fair value at the date of acquisition with the excess of identified fair value of recognized assets and liabilities over the acquisition cost as capital reserve.<br><br>On merger, the carrying value of the assets and liabilities of the SKS as at August 21, 2024 have been incorporated in the books of the Company with merger adjustments, as applicable.<br><br>The Management determined that the fair values of the net identifiable assets acquired was ₹ 3516.17 crore. The valuation was performed as part of the Purchase Price Allocation (PPA).<br><br>The Company appointed independent professional valuers to perform valuation of assets and liabilities for the purpose of PPA. The purchase price allocation exercise was completed resulting in the Company recognizing capital reserve of ₹ 1732.19 crore directly in "Other Equity".<br><br>Significant assumptions and estimates were used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we consider this area to be a Key Audit Matter. | • We have tested the PPA reports including the work done by management experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.<br><br>• We have also assessed the Company's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations.<br><br>• We have also verified the management's computation of capital reserve.<br><br>Based on the above work performed, we noted that the PPA adjustments have been performed in accordance with Ind AS 103. We have also assessed and corroborated the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements and found it reasonable. |

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

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

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

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

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

## Management's Responsibilities for the Standalone Financial Statements

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

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**Auditors Report**

standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical

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requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are

# Independent
**Auditors Report**

material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

i) As stated in Note 53 to the standalone financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) As the company has not paid and declared any interim dividend during the year and upto the date of our report, therefore, this clause is not applicable.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

j) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **SINGHI & CO.**
(ICAI Firm Regn.302049E)
*Chartered Accountants*

**SANJAY KUMAR DEWANGAN**
*Partner*
Membership number: 409524
UDIN: 25409524BMJDKN8788

Raipur, 24th May, 2025

# Annexure 'A'

**to the Independent Auditors Report**

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

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

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

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties, disclosed in the standalone financial statements included under Property, Plant and Equipment and investment properties are held in the name of the Company as at the balance sheet date except the immovable properties disclosed in Note 2 to the standalone financial statements related to merger of SKS Power Generation (Chhattisgarh) Limited.

| Description of Property | Gross Carrying Value (Crore) | Title Deed held in the name of | Whether held in the name of promoter, director or their related parties or employees | Period held | Reason for not being held in the name of company |
|---|---|---|---|---|---|
| Land | 15.92 | SKS Power Generation (Chhattisgarh) Limited | No | August' 2024 | Properties acquired through amalgamation/ merger, the name change in the name of company is pending. |
| Building | 292.75 | SKS Power Generation (Chhattisgarh) Limited | No | August' 2024 | |

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, the physical verification of inventories has been conducted at reasonable intervals by the management during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not more than 10% or more in the aggregate of each class of inventory and have been properly dealt with in the books of account.

(b) Based on the audit procedure and on an overall examination of financial statements, we are of the opinion that the stock statements and quarterly returns filed by the company, in respect of working capital loan availed from banks, are in agreement with the books of account of the company and no material discrepancies have been observed.

# Annexure 'A'

**to the Independent Auditors Report**

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

(a) The Company has provided unsecured loans or advances in the nature of loans and provided security to any other entity during the year,

A) The Company has provided loans or advances in the nature of loans and corporate guarantee, or provided security to subsidiaries during the year. The aggregate amount of loan or advances and corporate guarantee given during the year ₹ 308.97 crore and ₹ 40.75 crore respectively and the balance outstanding with respect to such loans provided at the balance sheet date was ₹ 438.22 crore and the corporate guarantee of ₹ 58.01 crore.

B) The aggregate amount of loan given during the year ₹ 2,334.93 Crore and the balance outstanding with respect to such loans and security provided at the balance sheet date other than subsidiaries, associates and Joint ventures was ₹ 173.60 Crore.

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has granted loans or advances in the nature of loans repayable on demand or with specific terms & condition to promoters, related parties during the year as defined in Clause (76) of Section 2 of the Companies Act, 2013.

| Particulars | All Parties | Promoters | Related Parties |
|---|---|---|---|
| Aggregate of loans or advances in the nature of loan repayable on demand/specific terms & condition | ₹ 2,643.90 Crore | ₹ 2,158.18 Crore | ₹ 308.97 Crore |
| Percentage of loans or advances in the nature of loan to the total loan | 100.00% | 81.63% | 11.69% |

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Custom Duty, Sales Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

# Annexure 'A'

**to the Independent Auditors Report**

There were no undisputed amounts payable in respect of Goods and Service tax, Custom Duty, Sales Tax, Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2025 on account of disputes are given below:

| Name of the Statute | Nature of the Dues | Amount* (₹ in Crore) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Excise Duty | 0.20 | March 1986 to October 1988 | M.P. High Court |
| Central Excise Act, 1944 | Excise Duty | 0.08 | March 1989 to August 1989 | Commissioner (Appeals) |
| Central Excise Act, 1944 | Service Tax | 0.05 | 2016-17 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act, 1944 | Service Tax | 0.04 | April 2015 to Marh 2017 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act, 1944 | Excise Duty | 0.30 | July 2016 | Commissioner (Appeals) |
| SGST Act, 2017 | GST | 0.30 | April 2022 to March 2023 | GST Appellate Tribunal |
| Custom Act, 1962 | Custom Duty | 0.20 | May 2016 | Customs Excise & Service Tax Appellate Tribunal |
| CGST Act, 2017 | Trans Credit | 0.54 | July 2017 to March 2018 | GST Appellate Tribunal |
| CGST Act, 2017 | Trans Credit | 0.24 | July 2017 to March 2018 | GST Appellate Tribunal |
| CGST Act, 2017 | GST | 0.03 | July 2017 to March 2019 | Commissioner (Appeals) |
| Central Sales Tax Act & Sales Tax Acts of Various states and Entry Tax Act, 1976 | Value Added Tax, Central sales tax and Entry tax. | 8.49 | 2006-07 to 2013-14 | Appellate Authorities up to Commissioner and High Court level |
| Income Tax Act, 1961 | Income Tax | 10.42 | A.Y. 2017-18 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax | 1.16 | A.Y. 2018-19 | Commissioner of Income Tax (Appeal) |
| Income Tax Act, 1961 | Income Tax | 0.71 | A.Y. 2020-21 | Commissioner of Income Tax (Appeal) |
| Chhatisgarh Upkar Adhiniyam, 1981 | Energy Development Cess | 93.33 | May 2006 to March 2025 | Supreme Court |

*Net of deposits

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

# Annexure 'A'

**to the Independent Auditors Report**

ix. (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender and hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information, explanations and representation made to us, no whistle blower complaints received by the Company during the year and upto the date of this report, and hence reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and also in the immediately preceding financial year.

# Annexure 'A'

**to the Independent Auditors Report**

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) in accordance with Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

For **SINGHI & CO.**
(ICAI Firm Regn.302049E)
*Chartered Accountants*

**SANJAY KUMAR DEWANGAN**
*Partner*
Membership number: 409524
UDIN: 25409524BMJDKN8788

Raipur, 24th May, 2025

# Annexure 'B'

**to the Independent Auditors Report**

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

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

We have audited the internal financial controls over financial reporting of **SARDA ENERGY & MINERALS LIMITED** (the "Company") as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditor's Responsibility

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

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

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

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are beingmade 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

# Annexure 'B'

**to the Independent Auditors Report**

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.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **SINGHI & CO.**
(ICAI Firm Regn.302049E)
*Chartered Accountants*

**SANJAY KUMAR DEWANGAN**
*Partner*
Membership number: 409524
UDIN: 25409524BMJDKN8788

Raipur, 24th May, 2025

# Balance Sheet

as at 31st March 2025

(₹ in Crore)

| | Note | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-current Assets** | | | |
| (a) Property, Plant & Equipment | 2 | 3,558.23 | 516.53 |
| (b) Capital work-in-progress | 2 | 211.91 | 46.39 |
| (c) Right-of-use assets | 2 | 37.40 | - |
| (d) Investment Property | 2 | 29.62 | 29.70 |
| (e) Other Intangible Assets | 2 | 34.59 | 36.10 |
| (f) Financial Assets | | | |
| (i) Investments | 3 | 1,074.65 | 987.06 |
| (ii) Other Financial Assets | 4 | 5.65 | 8.69 |
| (g) Deferred tax assets (Net) | 18 | 52.68 | - |
| (h) Other Non- current Assets | 5 | 295.32 | 71.66 |
| | | **5,300.05** | **1,696.13** |
| **(2) Current Assets** | | | |
| (a) Inventories | 6 | 591.80 | 347.15 |
| (b) Financial Assets | | | |
| (i) Investments | 7 | 354.29 | 413.87 |
| (ii)Trade receivables | 8 | 172.34 | 41.48 |
| (iii) Cash & cash equivalents | 9 | 23.81 | 76.11 |
| (iv) Bank balances other than (iii) above | 10 | 465.48 | 546.89 |
| (v) Loans | 11 (a) | 613.04 | 667.62 |
| (vi) Other Financial Assets | 11 (b) | 6.01 | 2.07 |
| (c) Other Current Assets | 12 | 299.50 | 99.38 |
| | | **2,526.27** | **2,194.57** |
| **TOTAL ASSETS** | | **7,826.32** | **3,890.70** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share capital | 13 (a) | 35.24 | 35.24 |
| (b) Other Equity | 13 (b) | 5,783.77 | 3,481.10 |
| **Total Equity** | | **5,819.01** | **3,516.34** |
| **Liabilities** | | | |
| **(1) Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i)Borrowings | 14 | 1,308.11 | 34.79 |
| (ii) Lease liabilities | 15 | 33.68 | - |
| (iii)Other financial liabilities | 16 | 21.53 | 3.04 |
| (b) Provisions | 17 | 245.56 | 31.45 |
| (c) Deferred tax liabilities (Net) | 18 | - | 39.46 |
| | | **1,608.88** | **108.74** |
| **(2) Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 190.57 | 99.23 |
| (ii) Lease liabilities | 15 | 4.57 | - |
| (iii) Trade Payables | 20 | | |
| (a) Total outstanding dues of micro and small enterprises | | 3.40 | 6.15 |
| (b) Total outstanding dues of creditors other than micro and small enterprises | | 103.37 | 62.11 |
| (iv) Other financial liabilities | 21 | 68.08 | 45.40 |
| (b) Other current liabilities | 22 | 24.64 | 39.12 |
| (c) Provisions | 23 | 3.80 | 0.68 |
| (d) Current tax liabilities (net) | | - | 12.93 |
| | | **398.43** | **265.62** |
| **TOTAL EQUITY AND LIABILITIES** | | **7,826.32** | **3,890.70** |

Material Accounting Policies 1

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

For and on behalf of the Board

| | | | |
|---|---|---|---|
| **SANJAY KUMAR DEWANGAN** | **K. K. SARDA** | **P. K. JAIN** | **MANISH SETHI** |
| Partner | Chairman | Wholetime Director & CFO | Company Secretary |
| Membership No. 409524 | DIN: 00008170 | DIN: 00008379 | ACS 18069 |

Raipur
Dated :May 24, 2025

# Statement of Profit and Loss

**for the year ended 31st March 2025**

(₹ in Crore)

| | | Note | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|---|---|
| I. | Revenue from operations | **24** | 3,484.17 | 2,733.45 |
| II. | Other income | **25** | 119.70 | 185.05 |
| III. | **Total Revenue (I + II)** | | **3,603.87** | **2,918.50** |
| IV. | **Expenses** | | | |
| | Cost of materials consumed | **26** | 1,903.69 | 1,670.80 |
| | Purchases of Stock-in-Trade | | 72.40 | 45.25 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | **27** | (26.29) | 76.22 |
| | Employee benefits expense | **28** | 135.03 | 105.71 |
| | Finance costs | **29** | 97.14 | 18.24 |
| | Depreciation and amortization expense | **2** | 150.03 | 64.48 |
| | Other expenses | **30** | 443.11 | 320.99 |
| | **Total Expenses** | | **2,775.11** | **2,301.69** |
| V. | **Profit Before Tax (III - IV)** | | **828.76** | **616.81** |
| VI. | Tax expense | | | |
| | (1) Current tax | | (0.12) | 151.14 |
| | (2) Deferred tax | | 220.82 | (0.21) |
| VII. | **Profit for the period (V - VI)** | | **608.06** | **465.88** |
| | **Other comprehensive income for the year, net of tax** | **33** | | |
| | Items that will not be reclassified to profit or loss | | (2.34) | 0.67 |
| | Income tax relating to items that will not be reclassified to profit or loss | | 0.00 | (0.09) |
| | **Total Comprehensive Income for the Year** | | **605.72** | **466.46** |
| VIII. | Earnings per equity share | **32** | | |
| | Basic | | 17.26 | 13.22 |
| | Diluted | | 17.26 | 13.22 |

Material Accounting Policies 1

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

| **K. K. SARDA** | **P. K. JAIN** | **MANISH SETHI** |
|---|---|---|
| Chairman | Wholetime Director & CFO | Company Secretary |
| DIN: 00008170 | DIN: 00008379 | ACS 18069 |

Raipur
Dated :May 24, 2025

# Statement of Changes in Equity

for the year ended 31st March 2025

(₹ in Crore)

## a Equity Share Capital

**For the year ended 31st March 2024**

| Balance at 1st April, 2023 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Equity Share Capital during the year | Balance at 31st March, 2024 |
|---|---|---|---|---|
| 35.24 | - | 35.24 | - | 35.24 |

**For the year ended 31st March 2025**

| Balance at 1st April, 2024 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Equity Share Capital during the year | Balance at 31st March, 2025 |
|---|---|---|---|---|
| 35.24 | - | 35.24 | - | 35.24 |

## b Other Equity

| | Reserves And Surplus | | | | | OCI | Total other equity |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | |
| Balance as of 1st April, 2023 | 4.05 | 194.01 | 0.81 | 20.97 | 2,847.24 | 0.40 | **3,067.48** |
| Other Comprehensive Income | - | - | - | - | 0.60 | - | **0.60** |
| Profit for the year | - | - | - | - | 465.88 | - | **465.88** |
| Interim Dividends | - | - | - | - | (52.86) | - | **(52.86)** |
| **Balance as of 31st March, 2024** | **4.05** | **194.01** | **0.81** | **20.97** | **3,260.86** | **0.40** | **3,481.10** |

| | Reserves and Surplus | | | | | OCI | Total other equity |
|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | |
| Balance as of 1st April, 2024 | 4.05 | 194.01 | 0.81 | 20.97 | 3,260.86 | 0.40 | **3,481.10** |
| On account of business combination | 1,732.19 | - | - | - | - | - | **1,732.19** |
| Other Comprehensive Income | - | - | - | - | (2.34) | - | **(2.34)** |
| Profit for the year | - | - | - | - | 608.06 | - | **608.06** |
| Final Dividends | - | - | - | - | (35.24) | - | **(35.24)** |
| **Balance as of 31st March, 2025** | **1,736.24** | **194.01** | **0.81** | **20.97** | **3,831.34** | **0.40** | **5,783.77** |

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

For and on behalf of the Board

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Standalone Cash Flow Statement

for the year ended 31st March 2025

(₹ in Crore)

| | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|
| | Audited | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Profit before tax as per statement of Profit & Loss** | 828.76 | 616.81 |
| **Adjustments to reconcile profit before tax to cash generated by operating activities** | | |
| Depreciation and amortization expense | 149.76 | 64.48 |
| Depreciation on right-of-use assets | 0.27 | |
| Finance Costs | 95.15 | 18.24 |
| Interest on Lease liabilities | 2.00 | - |
| Unrealised (Gain)/ Loss on foreign currency transaction | (0.19) | (0.37) |
| Loss pertaining to scraping of assets | 0.14 | (0.05) |
| Allowance/(Reversal) for credit losses on financial assets | (0.47) | (0.12) |
| Interest Income | (93.29) | (97.72) |
| Corporate Guarantee Commission | (0.93) | (0.49) |
| Net (Gain)/Loss on investments pertaining to Fair valuation | 12.44 | (51.31) |
| Dividend Income | (3.32) | (5.45) |
| (Profit) / Loss on sale of investments | (10.32) | (13.86) |
| (Profit) / Loss on sale of PPE | (1.52) | 0.05 |
| Share of (Profit)/loss in Partnership Firm | (21.05) | (14.73) |
| **Operating profit before working capital changes** | **957.43** | **515.48** |
| | | |
| **Changes in working capital** | | |
| Trade Receivables | (86.66) | 49.32 |
| Inventories | (165.02) | 201.74 |
| Trade Payables | 38.52 | 13.39 |
| Loans and advances and other assets | (157.52) | 282.75 |
| Liabilities and provisions | (12.80) | (40.43) |
| **Cash generated from operations** | **573.95** | **1,022.25** |
| Income Tax Paid | (23.82) | (144.78) |
| **NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES** | **550.13** | **877.47** |
| | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Investment in PPE including capital advances | (276.93) | (73.50) |
| Consideration paid for acquisition of business | (1,783.98) | - |
| Sale proceeds of PPE | 2.13 | 0.37 |
| Investment made in Subsidiaries | (65.60) | (80.71) |
| Investment in FDR (made)/Liquidated | 81.47 | (308.39) |
| Other Investments (made)/liquidated | 57.45 | (138.23) |
| Loan/Interest repaid by/(given) to related parties | 120.47 | (164.07) |
| Loan/Interest repaid by/(given) to Others | (65.97) | (61.55) |
| Interest received | 93.29 | 97.72 |
| Dividend received | 3.32 | 5.45 |
| **NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES** | **(1,834.35)** | **(722.91)** |

# Standalone Cash Flow Statement

**for the year ended 31st March 2025**

(₹ in Crore)

| | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|
| | Audited | |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Proceeds from long term borrowings | 1,358.17 | - |
| Repayment of long term borrowings | (53.30) | (51.55) |
| Short term borrowings (net) | 59.79 | 43.03 |
| Finance cost | (96.08) | (19.39) |
| Dividend paid | (35.24) | (52.86) |
| Payment of Lease Liabilities | (1.42) | - |
| **NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES** | **1,231.92** | **(80.77)** |
| | | |
| **NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(52.30)** | **73.79** |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 76.11 | 2.32 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **23.81** | **76.11** |
| | | |
| **Supplementary Information:** | | |
| Restricted Cash Balance | **0.99** | **0.93** |

**Notes**

(a) Cash and cash equivalent include the following

| | | |
|---|---|---|
| Cash on Hand | 0.27 | 0.18 |
| Balances with banks | 23.54 | 75.93 |
| | **23.81** | **76.11** |

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

| | As at 01.04.2025 | Cash Flow | | Non cash changes | | As at 31.03.2025 |
|---|---|---|---|---|---|---|
| | | Proceeds | Repayments | Fair value changes | Classification changes | |
| Long Term Borrowings | 34.79 | 1,358.17 | (53.30) | - | (31.55) | **1,308.11** |
| Short Term Borrowings | 99.23 | 59.79 | - | - | 31.55 | **190.57** |
| Lease Liabilities | - | - | (1.42) | 39.67 | - | **38.25** |

(c) Figures in brackets represent outflows.

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

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

## 1 Company Overview

Sarda Energy & Minerals Limited ("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.

During the year, the Company acquired SKS Power Generation (Chhattisgarh) Limited ('SKS') primarily engaged in the business of generation of power under Corporate Insolvency and Resolution Process ('CIRP') of the Insolvency and Bankruptcy Code, 2016 ('IBC').

The Company is a public limited company incorporated in India having its registered office at 73A, Shri Ram Niketan, Central Avenue, Gandhibag Nagpur-440018, Maharashtra, India. The Company is listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

## 1.1 Basis of preparation of Financial Statements

### 1.1.1 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 as amended from time to time.

The financial statements for the year ended 31st March, 2025 were approved by the Board of Directors and authorised for issue on May 24, 2025.

### 1.1.2 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
- Assets acquired by way of business combination is measured at fair value as per the requirement of Ind AS- 103

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

### 1.1.3 Key Accounting Estimates and Judgements

The preparation of the Company's financial statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**a. Depreciation / amortization and useful lives of property plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. The estimated useful lives and residual values of the assets are reviewed annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes and other related matters. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

**b. Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the period of overdues, the amount and timing of anticipated future payments and the probability of default.

**c. Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of resources resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

**d. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**e. Measurement of defined benefit obligations**

The measurement of defined benefit and other post-employment benefits obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**f. Amortization of leasehold land**

The Company's lease asset classes primarily consist of leases for industrial land. The lease premium is the fair value of land paid by the Company to the state government at the time of acquisition and there is no liability at the end of lease term. The lease premium paid by the Company has been amortized over the lease period on a systematic basis and classified under Ind AS 16 and therefore, the requirements of both Ind AS 116 and Ind AS 17 as to the period over which, and the manner in which, the right of use asset (under Ind AS 116) or the asset arising from the finance lease (under Ind AS 17) amortized are similar.

## 1.2 Material Accounting Policies

### 1.2.1 Revenue Recognition

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

**Other Operating Revenue:**

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

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

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

**Contract Balances:**

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

### 1.2.2 Other income

**Dividend income**

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

**Interest income**

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### 1.2.3 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.Depreciation on Property, Plant & Equipment is provided using written down value method on depreciable amount except in power plant located at Binjkot, Raigarh and certain class of assets of steel segment which are depreciated using straight line method. Leased assets are amortized on a straight-line basis over the useful life of the asset or the remaining period of lease, whichever is earlier. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery or their useful life whichever is lower.

In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

**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.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

**iv) Mining Assets**

1. Acquisition Cost

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

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

2. Exploration and evaluation

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

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

3. Site restoration, rehabilitation and environmental costs

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

**v) Spare parts**

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

### 1.2.4 Investment properties

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

### 1.2.5 Intangible assets

Intangible assets comprising of computer software, mining rights are stated at cost of acquisition/ implementation/ development less accumulated amortization. Intangible assets are acquired separately and have a finite useful lives.

**Amortization**

Intangible Assets are amortized on a straight line basis over technically useful life of the asset.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**



### 1.2.6 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.

### 1.2.7 Business Combination

Acquisition of business has been accounted for using the acquisition method. The consideration transferred in business combination is as per the amount quoted in the resolution plan.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standard). For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Acquisition related costs are recognized in the statement of profit and loss.

In case of bargain purchase, before recognizing gain in respect thereof, the Company determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there exist a clear evidence the Company recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Company recognizes the gain, after reassessing and reviewing directly in equity as capital reserve.

### 1.2.8 Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use-assets (ROU)**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

**Lease Liabilities**

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Lease Liabilities have been presented as separate line and the 'ROU' have been presented separately in the Balance Sheet. Lease payments have been classified as financing activities in the Statement of Cash Flows.

**Short-term leases and leases of low-value assets**

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognizes the lease payments associated with these leases as an expense over the lease term.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

**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.

### 1.2.9 Inventory

i) Stores and Spares are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower.

ii) Raw Materials are carried at cost (net of GST credits availed) on moving average basis and net realizable value whichever is lower. However, raw materials held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

iii) Finished and semi finished products produced or purchased by the Company are carried at lower of cost and net realizable value. Cost includes direct material and labor cost and a proportion of manufacturing overheads. Cost of finished goods includes excise duty based on prevailing rate.

iv) By products are valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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

### 1.2.10 Financial Instruments

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 amortised 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 amortised 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 amortised cost using the effective interest rate (EIR) method. Amortised 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.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**



**Financial instruments measured at fair value through other comprehensive income**

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

(a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets

(b) the asset's contractual cash flow represent SPPI

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

**Financial instruments measured at fair value through profit and loss**

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortised 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' arrangements 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 amortised cost

2) financial liabilities measured at fair value through profit and loss

**Financial liabilities at amortized cost**

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

**Offsetting of financial instrument**

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

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

### 1.2.11 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

### 1.2.12 Trade receivables

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

### 1.2.13 Loans and borrowings

Loans and borrowings are initially recognized at fair value net of transaction costs incurred. Subsequently, these are measured at amortised 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.

### 1.2.14 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.

### 1.2.15 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.

### 1.2.16 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 amortised 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

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

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

### 1.2.17 Taxes

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

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

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

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

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

### 1.2.18 Employee benefits

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

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

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

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

### 1.2.19 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.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

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.

### 1.2.20 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.

### 1.2.21 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.

### 1.2.22 Borrowing cost

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

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

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

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

### 1.2.23 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.

# Material accounting policies and notes to financial statements

**For financial year ended 31st March 2025**

### 1.2.24 Segment Reporting

**i) Identification of Segments**

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

**ii) Segment Accounting Policies**

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

**iii) Inter-Segment Transfers**

The Company generally accounts for inter-segment 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 34 for details on segment information presented.

### 1.2.25 Onerous Contracts

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

### 1.2.26 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.

### 1.2.27 New and amended standards

The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

The Ministry of Corporate Affairs has notified-

- The Companies (Indian Accounting Standard) Amendment Rules 2024 dated 14th August 2024, introducing Ind AS 117, "Insurance Contracts".
- The Companies (Indian Accounting Standard) Second Amendment Rules 2024 dated 9th September 2024, amending the existing Ind AS 116- Leases.
- The Companies (Indian Accounting Standard) Third Amendment Rules 2024 dated 28th September 2024,allowing insurers to use Ind AS 104 for consolidated financial statements until the IRDAI notifies Ind AS 117, and introduces a schedule outlining the financial reporting requirements for insurance contracts.

There is no such impact of amendments which would have been applicable from 1st April 2024.

# Notes to financial statements

For financial year ended 31st March 2025

## Note No. 2 : PROPERTY, PLANT & EQUIPMENT

₹ in Crore

| | Gross Block | | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Acquired through Business Combination | Transfer / Sale / Adjustment | As on 31.03.2025 | Up to 01.04.2024 | Depreciation for the year | Transfer /Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Freehold Land | 26.95 | 26.36 | 15.92 | - | 69.23 | - | - | - | - | 69.23 | 26.95 |
| Leasehold Land | 20.55 | 0.08 | - | - | 20.63 | 1.98 | 0.48 | - | 2.46 | 18.17 | 18.57 |
| Building | 178.62 | 13.52 | 292.75 | - | 484.89 | 74.48 | 27.36 | - | 101.84 | 383.05 | 104.14 |
| Plant & Machinery | 721.38 | 83.97 | 2,752.73 | 4.84 | 3,553.24 | 364.72 | 115.82 | 1.63 | 478.91 | 3,074.33 | 356.66 |
| Furniture,Fixture & Equipment | 10.71 | 1.92 | 1.84 | 0.02 | 14.45 | 8.30 | 1.31 | 0.01 | 9.60 | 4.85 | 2.41 |
| Vehicles | 15.66 | 3.94 | 0.48 | 1.93 | 18.15 | 7.86 | 3.11 | 1.42 | 9.55 | 8.60 | 7.80 |
| | **973.87** | **129.79** | **3,063.72** | **6.79** | **4,160.59** | **457.34** | **148.08** | **3.06** | **602.36** | **3,558.23** | **516.53** |

**Ageing of capital work-in-progress is as below:**

**As at 31st March 2025**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 195.68 | 7.31 | 1.21 | 7.71 | 211.91 |
| **Total** | **195.68** | **7.31** | **1.21** | **7.71** | **211.91** |

**Note:**

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

**RIGHT-OF-USE-ASSETS**

₹ in Crore

| | Gross Block | | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Acquired through Business Combination | Transfer / Sale / Adjustment | As on 31.03.2025 | Up to 01.04.2024 | Depreciation for the year | Transfer / Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Land | - | - | 37.67 | - | 37.67 | - | 0.27 | - | 0.27 | 37.40 | - |
| | **-** | **-** | **37.67** | **-** | **37.67** | **-** | **0.27** | **-** | **0.27** | **37.40** | **-** |

**INVESTMENT PROPERTY**

| | Gross Block | | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Acquired through Business Combination | Transfer / Sale / Adjustment | As on 31.03.2025 | Up to 01.04.2024 | Depreciation for the year | Transfer / Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Freehold Land-IP | 26.02 | - | - | - | 26.02 | - | - | - | - | 26.02 | 26.02 |
| Admin Bldg- IP | 4.22 | - | - | - | 4.22 | 0.54 | 0.08 | - | 0.62 | 3.60 | 3.68 |
| | **30.24** | **-** | **-** | **-** | **30.24** | **0.54** | **0.08** | **-** | **0.62** | **29.62** | **29.70** |

**Amount recognized in profit & loss for investment properties:**

| Particulars | 31.03.2025 |
|---|---|
| Rental Income (Included in non-operating income) | 0.17 |
| Other expenses related to investment Properties | 0.04 |
| Profit from Investment Properties before depreciation | 0.13 |
| Depreciation | 0.09 |
| Profit/(Loss) from Investment Properties | 0.04 |

# Notes to financial statements

For financial year ended 31st March 2025

**OTHER INTANGIBLE ASSETS**

₹ in Crore

| | Gross Block | | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Acquired through Business Combination | Transfer / Sale / Adjustment | As on 31.03.2025 | Up to 01.04.2024 | Depreciation for the year | Transfer /Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Software | 2.38 | 0.09 | - | - | 2.47 | 1.94 | 0.18 | - | 2.12 | 0.35 | 0.44 |
| Minig Rights & Development | 40.10 | - | - | - | 40.10 | 4.44 | 1.42 | - | 5.86 | 34.24 | 35.66 |
| | **42.48** | **0.09** | **-** | **-** | **42.57** | **6.38** | **1.60** | **-** | **7.98** | **34.59** | **36.10** |

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

| Description of property | Gross carrying value (Crore) | Title deed held in the name of | Whether promoter director or their related parties or employee | Period held(i.e. dates of capitalization providing in range) | Reason for not being held in the name of Company |
|---|---|---|---|---|---|
| Land | 15.92 | SKS Power Generation (Chhattisgarh) Limited | No | Aug-24 | For certain properties acquired through amalgamation/merger, the name change in the name of Company is pending |
| Building | 292.75 | SKS Power Generation (Chhattisgarh) Limited | No | Aug-24 | |

**Details of property plant and equipment pledged against borrowings is presented in note no 14 and 19.**

# Notes to financial statements

**For financial year ended 31st March 2025**

## Note No. 2 : PROPERTY, PLANT & EQUIPMENT (Previous Year)

₹ in Crore

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition/ Transfer during the year | Transfer / Sale / Adjust-ment | As on 31.03.2024 | Up to 01.04.2023 | Depreci-ation for the year | Transfer /Adjust-ment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Freehold Land | 8.96 | 17.99 | - | 26.95 | - | - | - | - | 26.95 | 8.96 |
| Leasehold Land | 20.25 | 0.30 | - | 20.55 | 1.50 | 0.48 | - | 1.98 | 18.57 | 18.75 |
| Building | 166.30 | 12.32 | - | 178.62 | 63.32 | 9.87 | (1.29) | 74.48 | 104.14 | 102.98 |
| Plant & Machinery | 696.78 | 25.99 | 1.39 | 721.38 | 316.96 | 48.74 | 0.98 | 364.72 | 356.66 | 379.82 |
| Furniture,Fixture & Equipment | 9.88 | 0.89 | 0.06 | 10.71 | 7.33 | 1.02 | 0.05 | 8.30 | 2.41 | 2.55 |
| Vehicles | 12.11 | 3.85 | 0.30 | 15.66 | 5.40 | 2.71 | 0.25 | 7.86 | 7.80 | 6.71 |
| **Total** | **914.28** | **61.34** | **1.75** | **973.87** | **394.51** | **62.82** | **(0.01)** | **457.34** | **516.53** | **519.77** |

**Ageing of capital work-in-progress is as below:**

**As at 31st March 2024**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 30.17 | 3.25 | 12.97 | - | 46.39 |
| | **30.17** | **3.25** | **12.97** | **-** | **46.39** |

**Note:**

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

# Notes to financial statements

For financial year ended 31st March 2025

₹ in Crore

**RIGHT-OF-USE-ASSETS**

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition during the year | Transfer / Sale / Adjustment | As on 31.03.2024 | Up to 01.04.2023 | Depreciation for the year | Transfer /Adjustment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 | As on 31.03.2024 |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

**INVESTMENT PROPERTY**

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition/ Transfer during the year | Transfer / Sale / Adjustment | As on 31.03.2024 | Up to 01.04.2023 | Depreciation for the year | Transfer / Adjustment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Freehold Land-IP | 26.02 | - | - | 26.02 | - | - | - | - | 26.02 | 26.02 |
| Admin Bldg- IP | 13.73 | - | 9.51 | 4.22 | 1.74 | 0.09 | 1.29 | 0.54 | 3.68 | 11.99 |
| | **39.75** | **-** | **9.51** | **30.24** | **1.74** | **0.09** | **1.29** | **0.54** | **29.70** | **38.01** |

**Amount recognized in profit & loss for investment properties:**

| Particulars | 31.03.2024 |
|---|---|
| Rental Income (Included in non-operating income) | 0.13 |
| Other expenses related to investment Properties | 0.04 |
| Profit from Investment Properties before depreciation | 0.09 |
| Depreciation | 0.09 |
| Profit/(Loss) from Investment Properties | 0.00 |

# Notes to financial statements

**For financial year ended 31st March 2025**

**OTHER INTANGIBLE ASSETS**

₹ in Crore

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition during the year | Transfer / Sale / Adjustment | As on 31.03.2024 | Up to 01.04.2023 | Depreciation for the year | Transfer /Adjustment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Software | 2.38 | - | - | 2.38 | 1.77 | 0.17 | - | 1.94 | 0.44 | 0.61 |
| Minig Rights & Development | 40.10 | - | - | 40.10 | 3.02 | 1.42 | - | 4.44 | 35.66 | 37.08 |
| **Total** | **42.48** | **-** | **-** | **42.48** | **4.79** | **1.59** | **-** | **6.38** | **36.10** | **37.69** |

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

Details of property plant and equipment pledged against borrowings is presented in note no 14 and 19.

# Notes to financial statements

**For financial year ended 31st March 2025**

## Note 3 : NON CURRENT INVESTMENTS - FINANCIAL ASSET - INVESTMENTS

(₹ in Crore)

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| **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 Hong Kong Limited of HKD 1.00 each | 0.56 | 0.56 |
| (b) | 40,85,100 (P.Y. 40,85,100) Equity Shares of Sarda Global Venture Pte Limited of US$ 1.00 each | 28.30 | 28.30 |
| (c) | 7,16,307 (P.Y. 7,16,307) Equity Shares of Sarda Energy Limited of ₹ 10/- each | 74.60 | 74.60 |
| (d) | 2,10,16,000(P.Y. 2,10,16,000) Equity Shares of Sarda Metals & Alloys Limited of ₹ 10/- each | 214.58 | 214.00 |
| (e) | 18,60,65,080 (P.Y. 18,60,65,080) Equity Shares of Madhya Bharat Power Corporation Limited of ₹ 10/- each | 460.09 | 460.08 |
| (f) | 7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Private Limited of ₹ 10/- each | 7.84 | 7.84 |
| (g) | 5,100 (P.Y. 5,100) Equity Shares of Natural Resources Energy Private Limited of ₹ 10/- each | 0.03 | 0.03 |
| (h) | 5,000 (P.Y. 1,000) Equity Shares of Sarda Global Trading DMCC of AED 1,000 each | 10.99 | 1.88 |
| (i) | 2,48,00,000 (P.Y. 2,48,00,000) Equity Shares of Kalyani Coal Mining Private Limited of ₹ 10/- each | 24.80 | 24.80 |
| | **In Joint Ventures (at cost)** | | |
| (a) | 1,30,800 (P.Y. 1,30,800) Equity Shares of Raipur Infrastructure Company Private Limited of ₹ 10/- each | 2.11 | 2.11 |
| (b) | 1,30,742 (P.Y. 1,30,742) Equity Shares of Madanpur South Coal Company Limited of ₹ 10/- each | 1.83 | 1.83 |
| (c) | 2,68,00,000 (P.Y. NIL) Equity Shares of Bartunga Coal Private Limited of ₹ 10/- each | 26.80 | - |
| | | | |
| **B** | **Investments in LLP (at cost)** | | |
| (a) | Shri Ram Electricity LLP | 2.04 | 3.61 |
| (b) | Chhattisgarh Hydro Power LLP | 217.95 | 165.32 |
| (c) | Sarda Hydro Power LLP | 0.30 | 0.30 |
| | | | |
| **C** | **In Other companies-Carried at FVTOCI** | | |
| | 4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited | 1.45 | 1.45 |
| | | | |
| **D** | **Investments in Mutual Funds - Carried at FVTPL** | | |
| | 1,49,980 units (P.Y. 1,49,980 units) of KBC Mutual Fund | 0.38 | 0.35 |
| | | | |
| | | **1,074.65** | **987.06** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Aggregate amount of quoted investment and market value thereof-** | | |
| Aggregate book value of quoted investments | 0.38 | 0.35 |
| Aggregate market value of quoted investments | 0.38 | 0.35 |
| Aggregate value of unquoted investments | 1,074.27 | 986.71 |
| Investment carried at cost | 1,072.82 | 985.26 |
| Investment carried at fair value through OCI | 1.45 | 1.45 |
| Investment carried at fair value through Profit & Loss | 0.38 | 0.35 |

(i) The Company, in its capacity as promoter, has pledged 16,47,52,864 shares of Madhya Bharat Power Corporation Limited and 1,07,18,160 shares of Sarda Metals & Alloys Limited as security for loans availed by the entities.

## Note 4: NON CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | Security Deposits | | |
| | Unsecured , considered good | 5.65 | 8.69 |
| | | **5.65** | **8.69** |

## Note 5 : OTHER NON-CURRENT ASSETS

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | **Capital Advances** | | |
| | Unsecured, considered good | 83.68 | 44.46 |
| (b) | **Advances other than capital advances** | | |
| | Unsecured, considered good | | |
| | (i)Security Deposits | | |
| | Unsecured, considered good | 0.66 | 0.66 |
| | (ii)Other advances | | |
| | Unsecured, considered good | 140.06 | 15.51 |
| | Prepaid expenses | 49.88 | 1.06 |
| | Balances with Revenue Authorities | 21.04 | 9.97 |
| | | **295.32** | **71.66** |

## Note 6 INVENTORIES

(valued at lower of cost and net realisable value)

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | Raw Material | 313.89 | 152.27 |
| (b) | Finished / semi finished goods | 166.01 | 139.72 |
| (c) | Stock-in-Trade | 0.02 | 0.02 |
| (d) | Stores and spares | 102.09 | 44.66 |
| (e) | Project under Development | 9.79 | 10.48 |
| | | **591.80** | **347.15** |

**Note :** Details of inventories hypothecated against borrowings is presented in note 14 & 19

# Notes to financial statements

**For financial year ended 31st March 2025**

## NOTE 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Investments in Equity Instruments-Carried at FVTPL | | |
| In Other Companies | | |
| 32,813 (P.Y. 32,813) Equity Shares of Abhishek Mills Limited | 0.00 | 0.00 |
| 23,93,400 (P.Y. 19,80,000) Equity Shares of Canfin Homes Limited | 160.23 | 149.08 |
| 7,376 (P.Y. 7,376) Equity Shares of Indian Metals & Ferro Alloys Limited | 0.45 | 0.47 |
| 1,10,861 (P.Y.1,10,861) Equity Shares of Life Insurance Corporation | 8.86 | 10.16 |
| | | |
| Investments in Mutual Funds | 69.52 | 196.46 |
| Investments in Quoted Bonds | 34.46 | 32.76 |
| Investments in Preference Share | 80.77 | - |
| Investments in Commercial Paper | - | 24.94 |
| | **354.29** | **413.87** |

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Aggregate amount of quoted investment and market value thereof** | | |
| Aggregate book value of quoted investments | 169.54 | 159.71 |
| Aggregate market value of quoted investments | 169.54 | 159.71 |
| Aggregate book value of investments in Mutual Fund, Bonds, Debentures and Commercial paper. | 184.75 | 254.16 |
| Aggregate market value of investments in Mutual Fund, Bonds, Debentures and Commercial paper. | 184.75 | 254.16 |
| Investment carried at fair value through Profit & Loss | 354.29 | 413.87 |

## NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Trade receivables considered good - Unsecured | 172.34 | 41.48 |
| Trade receivables which have significant increase in Credit Risk | 109.78 | 2.94 |
| Trade receivable - credit impaired | - | - |
| | | |
| Less: Provision for trade receivables considered good which have significant credit risk and credit impaired | (109.78) | (2.94) |
| | **172.34** | **41.48** |

**Note :** Details of trade receivables hypothecated against borrowings is presented in note 14 & 19

# Notes to financial statements

**For financial year ended 31st March 2025**

**Outstanding for following period for due of payment as on 31st March 2025** (₹ in Crore)

| | Not Due | Less than 6 month | 6 Month to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables- considered good | 31.06 | 141.20 | - | 0.03 | - | 0.05 | 172.34 |
| Undisputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | 109.78 | 109.78 |
| Undisputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables- considered good | - | - | - | - | - | - | |
| Disputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| | **31.06** | **141.20** | **-** | **0.03** | **-** | **109.83** | **282.12** |

**Outstanding for following period for due of payment as on 31st March 2024**

| | Not Due | Less than 6 month | 6 Month to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables- considered good | 29.76 | 11.65 | 0.03 | - | 0.04 | - | 41.48 |
| Undisputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | 2.94 | 2.94 |
| Undisputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables- considered good | - | - | - | - | - | - | |
| Disputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| | **29.76** | **11.65** | **0.03** | **-** | **0.04** | **2.94** | **44.42** |

## Note 9 : CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 8.01 | 0.12 |
| FDR with Bank(Bank Deposits with original maturity up to 3 months) | 15.53 | 75.81 |
| Cash on hand | 0.27 | 0.18 |
| | **23.81** | **76.11** |

## NOTE 10 : BANK BALANCE OTHER THAN (iii) ABOVE

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Unpaid dividend | 0.99 | 0.93 |
| FDR with Bank (With maturity more than 3 months but less than 12 months) | 464.49 | 545.96 |
| | **465.48** | **546.89** |

# Notes to financial statements

For financial year ended 31st March 2025

## Note 11(a) : CURRENT ASSETS - FINANCIAL ASSETS - LOANS

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **(a) Loans and advances to related parties** | 438.22 | 558.69 |
| Unsecured, considered good | | |
| **(b) Other loans** | | |
| Unsecured, considered good | | |
| (i) Loans to employees | 1.22 | 1.31 |
| (ii) Loans and advances to other parties | 173.60 | 107.62 |
| | **613.04** | **667.62** |

## Note 11 (b) : CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSET

| | | |
|---|---|---|
| **Unsecured, Considered good** | | |
| (i) Earnest money deposit | 3.83 | 1.86 |
| (ii) Claims & recoverables | 2.18 | 0.21 |
| | **6.01** | **2.07** |

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

**As at 31.03.2025**

| Type of borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
|---|---|---|
| Related parties | 438.22 | 71.48% |

**As at 31.03.2024**

| Type of borrower | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans |
|---|---|---|
| Related parties | 558.69 | 83.68% |

## Note 12 : OTHER CURRENT ASSETS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Advances other than capital advances** | | |
| (a) Other Advances | | |
| (i) Employee Advance | 0.18 | 0.22 |
| (ii) Advances to vendors | 271.99 | 81.71 |
| (b) Other Advances | | |
| (i) Advance royalty paid | 9.94 | 10.65 |
| (ii)Prepaid expenses | 3.82 | 5.38 |
| (iii) Balances with tax authorities | 4.53 | 1.41 |
| (iv) Others | 9.04 | 0.01 |
| | **299.50** | **99.38** |

# Notes to financial statements

**For financial year ended 31st March 2025**

## Note 13 (a) EQUITY SHARE CAPITAL

(₹ in Crore)

| | | As at 31st March 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|---|
| | | No. | ₹ in Crore | No. | ₹ in Crore |
| A | **Authorized** | | | | |
| | Equity Shares of ₹ 1/-each*# | 25,550,100,000 | 2,555.01 | 500,000,000 | 50.00 |
| | **Issued, Subscribed and fully paid up** | | | | |
| | Equity Shares of ₹ 1/-each* | 352,381,270 | 35.24 | 352,381,270 | 35.24 |
| | | **352,381,270** | **35.24** | **352,381,270** | **35.24** |

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 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|
| | No of shares | ₹ in Crore | No of shares | ₹ in Crore |
| Number of shares outstanding at the beginning of the period* | 352,381,270 | 35.24 | 352,381,270 | 35.24 |
| Additions during the period | - | - | - | - |
| Deductions during the period | - | - | - | - |
| Number of shares outstanding at the end of the period | 352,381,270 | 35.24 | 352,381,270 | 35.24 |

(*) During the year 2023-24, w.e.f. 04.08.2023, the equity shares were split from face value of ₹ 10/- to face value of ₹ 1/-. There was no change in the issued capital.

(#) w.e.f. 03.09.2024, the authorised capital increased to ₹ 2555.01 Crore due to amalgamation of SKS Power Generation (Chhattisgarh) Limited. with the Company, pursuant to order of Hon'ble NCLT dated 13.08.2024.

C Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1/- 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 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|
| | Number of shares | % | Number of shares | % |
| Chhatisgarh Investments Limited | 137,586,862 | 39.04% | 135,974,930 | 38.59% |
| Sarda Agriculture and Properties Private Limited | 25,818,670 | 7.33% | 25,818,670 | 7.33% |

E In the period of five years immediately preceding 31st March 2025, the Company has not issued bonus shares, and has not allotted any equity shares Consideration other than Cash. However the Company has bought back 8,11,108 equity shares in FY 2022-23.

F There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.

# Notes to financial statements

For financial year ended 31st March 2025

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

| Share held by promoter at the end of the year | | | | |
|---|---|---|---|---|
| S No. | Promoter Name | No of Shares | % of total shares | % Change during the year |
| 1 | Kamal Kishore Sarda | 5,626,084 | 1.60% | 0.04% |
| 2 | Kamal Kishore Rathi | 58,310 | 0.02% | 0.00% |
| 3 | Aditi Sarda | 88,730 | 0.03% | 0.00% |
| 4 | Shashi Rathi | 189,150 | 0.05% | 0.00% |
| 5 | Jugal Kishore Sarda (HUF) | 211,000 | 0.06% | 0.00% |
| 6 | Sonal Sarda | 552,160 | 0.16% | 0.00% |
| 7 | Aditya Ghanshyam Sarda | 1,128,400 | 0.32% | 0.00% |
| 8 | Raghav Sarda | 1,128,400 | 0.32% | 0.00% |
| 9 | CSP Investments (Chhatisgarh Investments Ltd, Sarda Agriculture and Properties Pvt. Ltd., Prachi Agriculture & Properties Pvt. Ltd.) | 1,439,370 | 0.41% | 0.00% |
| 10 | Vipula Sarda | 4,172,890 | 1.18% | 0.01% |
| 11 | Ghanshyam Sarda | 6,210,360 | 1.76% | 0.00% |
| 12 | Pankaj Sarda | 6,714,410 | 1.91% | 0.00% |
| 13 | Veenadevi Sarda | 7,023,500 | 1.99% | 0.00% |
| 14 | Manish J Sarda | 7,552,160 | 2.14% | 0.00% |
| 15 | Neeraj Sarda | 7,000,000 | 1.99% | 0.00% |
| 16 | Anant Sarda | 7,852,890 | 2.23% | 0.00% |
| 17 | Uma Sarda - Trustee to K K Sarda Family Trust | 9,715,450 | 2.76% | 0.00% |
| 18 | Uma Sarda | 12,072,210 | 3.43% | 0.00% |
| 19 | Prachi Agriculture & Properties Private Limited | 15,653,220 | 4.44% | 0.00% |
| 20 | Sarda Agriculture and Properties Private Limited | 25,818,670 | 7.33% | 0.00% |
| 21 | Chhatisgarh Investments Limited | 137,586,862 | 39.04% | 0.45% |
| | | **257,794,226** | **73.16%** | **0.52%** |

## Note 13 (b) OTHER EQUITY

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Capital Reserve** | | |
| Balance as per last financial statements | 4.05 | 4.05 |
| Addition on account of business combination (Note 35) | 1,732.19 | - |
| | **1,736.24** | **4.05** |
| **Capital Redemption Reserve** | | |
| Balance as per last financial statements | 0.81 | - |
| Addition on account of buy back of equity shares | - | 0.81 |
| | **0.81** | **0.81** |
| **Securities Premium** | | |
| Balance as per last financial statements | 194.01 | 194.01 |
| **Closing Balance** | **194.01** | **194.01** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **General Reserve** | | |
| Balance as per last financial statements | 20.97 | 20.97 |
| Less: Utilization for Buy Back of Shares | - | - |
| **Closing Balance** | **20.97** | **20.97** |
| | | |
| **Retained Earnings** | | |
| Balance as per last financial statements | 3,260.86 | 2,847.24 |
| Add : Profit for the year | 608.06 | 465.88 |
| Remeasurements of the net defined benefit plans | (2.34) | 0.60 |
| Less: Appropriations | | |
| Equity Dividend | (35.24) | (52.86) |
| **Closing Balance** | **3,831.34** | **3,260.86** |
| | | |
| **Reserves representing unrealized gains/losses** | | |
| Equity instruments through Other Comprehensive Income | 0.40 | 0.40 |
| **Closing Balance** | **0.40** | **0.40** |
| | **5,783.77** | **3,481.10** |

(i) During amalgamation/business combination, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

(ii) Capital Redemption Reserve is created on buy back of equity shares, it is to be utilised in accordance with the provision of Companies Act, 2013.

(iii) Securities premium is used to record the premium received on issue of shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.

(iv) General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

(v) The cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognized in fair value of financial assets. The balance of the reserve represents such changes recognized net off amounts re-classified to retained earnings on disposal of such investments.

## Note 14 : NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

| | Non-Current portion | | Current Maturities | |
|---|---|---|---|---|
| | As at 31st March 2025 | As at 31st March 2024 | As at 31st March 2025 | As at 31st March 2024 |
| **Term loans (Secured)** | | | | |
| From banks | | | | |
| Indian Rupee Loan | 1,308.11 | 34.79 | 79.48 | 47.94 |
| | **1,308.11** | **34.79** | **79.48** | **47.94** |

# Notes to financial statements

**For financial year ended 31st March 2025**

**1) Nature of security :**

a) Term Loans from Bank (For Siltara and Mandhar Complex) are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.

b) Term Loans from Bank (For IPP Division, Binjkot, Raigarh) are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at IPP Division, Binjkot, Raigarh and by way of joint equitable mortgage of immovable properties of the Company situated at IPP Division, Binjkot, Raigarh.

c) Term Loan from Banks (For Siltara and Mandhar Complex) are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda, Mr. Manish Sarda & Mr. Pankaj Sarda.

d) Term Loan of ₹ 675 Crore from Axis Bank Limited (For IPP Division, Binjkot, Raigarh) is secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda & Mr. Pankaj Sarda.

**2) Repayment terms :**

a) Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 24.33 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.

b) Rupee term loan of ₹ 50 crore (Present Outstanding ₹ 10.50 crore) from Axis Bank Limited is payable in 16 equal quarterly installments starting from June 2022.

c) Rupee term loan of ₹ 700 crore (Present Outstanding ₹ 693 crore) from HDFC Bank is payable in 120 equal quarterly installments starting from November 2024.

d) Rupee term loan of ₹ 675 crore (Present Outstanding ₹ 675 crore) from Axis Bank Limited is payable on 19.05.2025 (Bullet repayment). Further this loan shall be convertible into term loan on agreed terms on the date of bullet repayment.

## Note 15 : LEASE LIABILITIES

**A. Carrying amount of lease liabilities and the movement during the year:-**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Balance at the beginning of the year** | - | - |
| Additions during the year | - | - |
| Acquired through business combination | 37.67 | - |
| Disposal/ Adjustment during the year | - | - |
| Accrertion of Interest | 2.00 | - |
| Principal payment of lease liabilities | 1.42 | - |
| **Balance at the end of the year** | **38.25** | **-** |

# Notes to financial statements

**For financial year ended 31st March 2025**

**B. Breakup of lease liabilities:-** (₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Current | 4.57 | - |
| Non-current | 33.68 | - |
| **Balance at the end of the year** | **38.25** | **-** |

**C. Lease expenses recognized in Statement of Profit and Loss:-**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Depreciation Expenses on ROU | 0.27 | - |
| Interest Expenses on Lease Liabilities | 2.00 | - |
| Expenses relating to Short Team Leases and low value assets (included in other expenses) | 3.02 | 1.68 |
| | **5.29** | **1.68** |

The effective interest rate for lease liabilities is 9% with balance maturity of 85 years.

The Company had total cash outflow for leases of ₹4.45 Crore in 31st March 2025 (₹1.68 Crore in 31st March 2024) on account of expenses. The Company had non cash addition to right of use assets and lease liabilities of ₹37.67 Crore on accounting of business combination in the year 31st March 2025.

## Note 16: NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Security Deposit Received** | | |
| Deposits from Vendors | 21.53 | 3.04 |
| | **21.53** | **3.04** |

## Note 17: PROVISIONS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| (a) Provision for employee benefits | | |
| Provision for Leave encashment/Gratuity | 8.17 | 3.78 |
| (b) Others | | |
| Mines restoration/Mega power policy/ Ash disposal cost | 237.39 | 27.67 |
| | **245.56** | **31.45** |

## Note 18 : DEFERRED TAX LIABILITIES / (ASSETS) (NET)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Deferred tax liability / (assets) at the beginning of the year | 39.46 | 39.58 |
| Deferred tax liability / (assets) during the year on account of timing difference | 220.82 | (0.12) |
| Deferred tax liability / (assets) during the year on account of business combination | (312.96) | - |
| **DEFERRED TAX LIABILITIES / (ASSETS) at the end of the year** | **(52.68)** | **39.46** |

# Notes to financial statements

**For financial year ended 31st March 2025**

## Note 19 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Secured** | | |
| From Banks (Secured) | | |
| Working capital loans (repayable on demand) | 60.57 | 1.42 |
| Current maturities of long term debt (Refer note no.14) | 79.48 | 47.94 |
| **Other loans and advances** | | |
| Loans from Related Parties (repayable on demand)( Unsecured) | 50.52 | 49.87 |
| | **190.57** | **99.23** |

**Security**

Working Capital loans from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable Plant & Machinery and second pari-passu charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K. Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda. FDOD loans are secured by fixed deposits.

**Other Note:**

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

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

## Note 20 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - TRADE PAYABLES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Total outstanding dues of Micro Enterprises & Small Enterprises | 3.40 | 6.15 |
| Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises | 103.37 | 62.11 |
| | **106.77** | **68.26** |

**Trade Payable Ageing schedule for the year ended -**

| As at 31st March 2025 | Outstanding for following periods total from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not due / Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| MSME | 3.20 | | | | | 3.20 |
| Others | 62.57 | 39.38 | 0.40 | 0.27 | 0.50 | 103.12 |
| Disputed due - MSME | 0.20 | | | | | 0.20 |
| Disputed due - Others | | 0.02 | 0.06 | 0.17 | | 0.25 |
| | **65.97** | **39.40** | **0.46** | **0.44** | **0.50** | **106.77** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| As at 31st March 2024 | Outstanding for following periods total from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not due / Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| MSME | 6.15 | - | - | - | - | 6.15 |
| Others | 47.27 | 13.30 | 0.35 | 0.81 | 0.38 | 62.11 |
| Disputed due - MSME | - | - | - | - | - | - |
| Disputed due - Others | - | - | - | - | - | - |
| | **53.42** | **13.30** | **0.35** | **0.81** | **0.38** | **68.26** |

## Note 21: CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| (a) Deposits from customers | 3.44 | 0.56 |
| (b) Salary & reimbursements | 28.84 | 23.15 |
| (c) Provision for expenses | 34.81 | 20.76 |
| (d) Unpaid Dividends | 0.99 | 0.93 |
| | **68.08** | **45.40** |

## Note 22 : OTHER CURRENT LIABILITIES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| (a) Others - | | |
| Indirect taxes payable | 0.95 | 13.92 |
| (b) Deposit from Employees | 2.59 | 2.20 |
| (c) Advances from customers | 18.84 | 21.29 |
| (d) TDS payables | 2.26 | 1.71 |
| | **24.64** | **39.12** |

## Note 23 : PROVISIONS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Provision for gratuity | 3.10 | 0.36 |
| (b) Provision for Leave encashment | 0.70 | 0.32 |
| | **3.80** | **0.68** |

# Notes to financial statements

**For financial year ended 31st March 2025**

## 24 REVENUE FROM OPERATIONS

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Sale of products | | |
| Sponge Iron | 302.95 | 277.53 |
| Ferro Alloys | 575.74 | 620.04 |
| Steel Billets | 122.57 | 132.07 |
| Wire Rod / HB Wire | 749.43 | 888.34 |
| Pellet | 467.26 | 479.41 |
| Power | 1,104.23 | - |
| Others | 153.79 | 321.83 |
| Other operating revenues | 8.20 | 14.23 |
| | **3,484.17** | **2,733.45** |

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

| | 2024-25 | 2023-24 |
|---|---|---|
| **Segment Revenue-** | | |
| Steel | 1,964.32 | 2,180.42 |
| Ferro Alloys | 601.93 | 647.73 |
| Power | 1,339.45 | 273.06 |
| Unallocated | 24.74 | 28.35 |
| | **3,930.44** | **3,129.56** |
| Less: Inter segment revenue | 446.27 | 396.11 |
| | **3,484.17** | **2,733.45** |

| | 2024-25 | 2023-24 |
|---|---|---|
| Domestic | 3,379.44 | 2,608.21 |
| Exports | 104.73 | 125.24 |
| | **3,484.17** | **2,733.45** |

| | 2024-25 | 2023-24 |
|---|---|---|
| **Timing of revenue recognition** | | |
| At a point in time | 3,484.17 | 2,733.45 |
| | **3,484.17** | **2,733.45** |

| | 2024-25 | 2023-24 |
|---|---|---|
| **Assets and liabilities related to contracts with customers-** | | |
| **Contract balances** | | |
| Trade Receivables (refer note 8) | 172.34 | 41.48 |
| **Contract Liabilities** | | |
| Advance from customers (refer note no 21) | 18.84 | 21.29 |
| | **191.18** | **62.77** |

# Notes to financial statements

**For financial year ended 31st March 2025**

Trade receivables are non-interest bearing and are generally on terms of advance or credit period ranges of 1 to 90 days. In March 2025, there was a additional provision of ₹ 106.84 Crore including ₹ 107.31 Crore for newly acquired unit due to business combination (March 2024: (₹ 0.08) Crore) on account of of the provision for expected credit losses on trade receivables.

Contract liabilities include short-term advances received from customers to deliver manufacturing goods.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 14.07 Crore (previous year ₹ 25.80 Crore) and performance obligations satisfied in previous years ₹ NIL (previous year ₹NIL).

## 25 OTHER INCOME

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Interest Income | 93.29 | 97.72 |
| Dividend Income | | |
| From Others | 3.32 | 5.45 |
| Net gain on sale of investments | 10.31 | 13.85 |
| Corporate guarantee commission | 0.93 | 0.49 |
| Fair value gain on Financial Instruments at FVTPL | (12.44) | 51.31 |
| Share of Profit in Partnership Firm | 21.05 | 14.73 |
| Other non-operating income (net of expenses directly attributable to such income) | 3.24 | 1.50 |
| | **119.70** | **185.05** |

## 26 COST OF RAW MATERIAL CONSUMED

| | 2024-25 | 2023-24 |
|---|---|---|
| Iron Ore | 757.06 | 491.87 |
| Mn Ore | 220.42 | 232.67 |
| Coal | 792.92 | 760.51 |
| Scrap | 115.32 | 174.27 |
| Other Material | 17.97 | 11.48 |
| | **1,903.69** | **1,670.80** |

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

| | 2024-25 | 2023-24 |
|---|---|---|
| Inventories at the end of the year | | |
| Finished Goods / Semi-finished goods | 166.01 | 139.72 |
| Trading Goods | 0.02 | 0.02 |
| | **166.03** | **139.74** |
| Inventories at the beginning of the year | | |
| Finished Goods / Semi-finished goods | 139.72 | 215.78 |
| Trading Goods | 0.02 | 0.18 |
| | **139.74** | **215.96** |
| **(Increase)/Decrease in Inventories** | **(26.29)** | **76.22** |

# Notes to financial statements

**For financial year ended 31st March 2025**

## 28 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Salaries, incentives & Managerial Remuneration | 123.17 | 96.70 |
| Contributions to - | | |
| Provident fund | 6.59 | 5.15 |
| Superannuation scheme | 0.38 | 0.35 |
| Gratuity fund | 2.33 | 1.57 |
| Staff welfare expenses | 2.56 | 1.94 |
| | **135.03** | **105.71** |

## 28a) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

| | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| **Actuarial study analysis** | **31 March 2025** | **31 March 2024** | **31 March 2025** | **31 March 2024** |
| **Principal actuarial assumptions** | | | | |
| Discount rate | 6.61% | 7.10% | 6.61% | 7.40% |
| Range of compensation increase | 8.00% | 8.00% | 8.00% | 8.00% |
| Expected rate of return on plan assets | 6.61% | 7.10% | N/A | N/A |
| Plan duration | 60 | 60 | 60 | 60 |
| **Components of statement of income statement charge** | | | | |
| Current service cost | 2.38 | 1.53 | 0.85 | 0.51 |
| Interest cost | (0.05) | 0.02 | 0.24 | 0.28 |
| **Total charged to statement of profit or loss** | **2.33** | **1.55** | **1.09** | **0.79** |
| **Movements in net liability/(asset)** | | | | |
| Net liability at the beginning of the year | 0.36 | 0.64 | 4.10 | 3.76 |
| Employer contributions | (2.02) | (1.52) | (1.34) | (0.09) |
| Increase / (Decrease) due to effect of business combination | 2.23 | - | 3.04 | - |
| Total expense recognized in the consolidated statement of profit or loss | 2.33 | 1.55 | 1.09 | 0.79 |
| Total amount recognized in OCI | 2.33 | (0.31) | (0.47) | (0.36) |
| **Net liability at the end of the year** | **5.23** | **0.36** | **6.42** | **4.10** |
| **Reconciliation of benefit obligations** | | | | |
| Obligation at start of the year | 21.18 | 19.31 | 4.10 | 3.76 |
| Current service cost | 2.38 | 1.53 | 0.85 | 0.51 |
| Interest cost | 1.46 | 1.43 | 0.24 | 0.28 |
| Benefits paid directly by the Company | (1.31) | (0.71) | (1.34) | (0.09) |
| Increase / (Decrease) due to effect of business combination | 2.23 | - | 3.04 | - |
| Obligation of past service cost | 2.24 | (0.38) | (0.47) | (0.36) |
| Actuarial loss | | | | |
| **Defined benefits obligations at the end of the year** | **28.18** | **21.18** | **6.42** | **4.10** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| Actuarial study analysis | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
| **Re-measurements of defined benefit plans** | | | | |
| Actuarial gain/(loss) due to changes in financial assumptions | 1.44 | 0.58 | 0.32 | 0.11 |
| Actuarial gain/(loss) on account of experience adjustments | 0.79 | (0.95) | (0.79) | (0.47) |
| Actuarial (loss)/gain on plan assets | 0.10 | 0.06 | - | - |
| **Total actuarial gain/(loss) recognized in OCI** | **2.33** | **(0.31)** | **(0.47)** | **(0.36)** |
| **Change in fair value of plan assets** | | | | |
| Fair value of plan assets at the beginning of the year | 20.82 | 18.66 | - | - |
| Interest on plan assets | 1.50 | 1.41 | - | - |
| Contributions made | 2.02 | 1.52 | 1.34 | 0.09 |
| Benefits paid | (1.31) | (0.71) | (1.34) | (0.09) |
| Actuarial (loss)/gain on plan assets | (0.10) | (0.06) | - | - |
| **Fair value of plan assets at the end of the year** | **22.93** | **20.82** | **-** | **-** |

**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.

| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
|---|---|---|---|---|
| **Discount rate** | | | | |
| + 1% discount rate | 25.65 | 19.49 | 5.79 | 3.74 |
| - 1% discount rate | 31.12 | 23.24 | 7.16 | 4.52 |
| **Salary increase** | | | | |
| + 1% salary growth | 30.91 | 23.09 | 7.14 | 4.51 |
| - 1% salary growth | 25.77 | 19.57 | 5.80 | 3.75 |

**c) Experience adjustments**

| | 31 March 2025 | 31 March 2024 | 31 March 2025 | 31 March 2024 |
|---|---|---|---|---|
| Defined benefit obligation | 28.18 | 21.18 | 6.42 | 4.10 |
| Fair value of plan assets | 22.93 | 20.82 | - | - |
| (Surplus)/deficit in plan assets | 5.25 | 0.36 | 6.42 | 4.10 |
| Experience adjustment on plan liabilities | 0.79 | (0.95) | (0.79) | (0.47) |
| Actual return on plan assets less interest on plan assets | (0.10) | (0.06) | - | - |

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

# Notes to financial statements

**For financial year ended 31st March 2025**

## 29 FINANCE COSTS

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Interest expense | 86.77 | 10.02 |
| Interest on Lease liabilities | 2.00 | - |
| Other borrowing costs | 8.37 | 8.22 |
| | **97.14** | **18.24** |

## 30 OTHER EXPENSES

| | 2024-25 | 2023-24 |
|---|---|---|
| Stores & Spares Consumption | 102.48 | 87.23 |
| Power | 41.47 | 53.37 |
| Manufacturing Expenses- | | |
| Plant process & services | 23.93 | 24.04 |
| Material handling Expenses | 65.46 | 40.07 |
| Other Manufacturing Expenses | 0.19 | 0.15 |
| Repairs & Maintenance | | |
| Building | 2.67 | 2.69 |
| Plant & Machinery | 31.69 | 11.81 |
| Others | 8.87 | 7.80 |
| Rent | 3.02 | 1.68 |
| Rates & Taxes | 42.25 | 19.19 |
| Insurance Charges | 8.83 | 4.56 |
| Miscellaneous Expenses | | |
| Travelling & Conveyance expenses | 8.82 | 6.43 |
| Legal & Professional Expenses | 37.68 | 9.11 |
| Corporate Social Responsibility | 15.10 | 13.74 |
| Donation * | 2.06 | 5.02 |
| Administrative & Other Expenses | 17.54 | 6.65 |
| Cost of Sales of Real Estate Project | 2.84 | 5.35 |
| Selling Expenses | | |
| Carriage Outward | 20.11 | 18.49 |
| Selling Commission & Brokerage | 5.30 | 5.91 |
| Other Selling Expenses | 5.74 | 0.90 |
| Exchange differences (net) | (3.29) | (3.50) |
| Payment to Auditors | 0.35 | 0.30 |
| | **443.11** | **320.99** |

* Includes contribution to Political Parties amounting to ₹ 2 crore (previous year ₹ 5 crore)

## 31 PAYMENTS TO THE AUDITOR

| | 2024-25 | 2023-24 |
|---|---|---|
| **As auditor:** | | |
| Audit fee | 0.31 | 0.26 |
| Tax audit fee | 0.04 | 0.04 |
| | **0.35** | **0.30** |

# Notes to financial statements

**For financial year ended 31st March 2025**

## 32 EARNINGS PER SHARE (EPS)

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| **Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)** | 608.06 | 465.88 |
| Nominal Value of Equity Shares (₹) | 1 | 1 |
| Weighted average number of Equity Shares used as denominator for calculating basic EPS | 352,381,270 | 352,381,270 |
| Weighted average number of Equity Shares used as denominator for calculating Diluted EPS | 352,381,270 | 352,381,270 |
| Basic (₹) | 17.26 | 13.22 |
| Diluted (₹) | 17.26 | 13.22 |

## 33 OTHER COMPREHENSIVE INCOME

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| Remeasurements of the defined benefit plans | (2.34) | 0.67 |
| **(ii) Income tax relating to items that will not be reclassified to profit or loss** | 0.00 | (0.09) |
| | **(2.34)** | **0.58** |

## 34. SEGMENT REPORTING

Segment information has been prepared in confirmity 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

| | 2024-25 | | | | 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | Steel | Ferro | Power | Total | Steel | Ferro | Power | Total |
| **Revenue** | | | | | | | | |
| Sales & other income | 1,854.39 | 584.03 | 1,021.01 | 3,459.43 | 2,077.52 | 624.50 | 3.08 | 2,705.10 |
| Inter segment sales | 109.93 | 17.90 | 318.44 | 446.27 | 102.90 | 23.23 | 269.98 | 396.11 |
| Others Unallocated | | | | 24.74 | | | | 28.35 |
| Less: Inter segment sales | | | | 446.27 | | | | 396.11 |
| Total Revenue | **1,964.32** | **601.93** | **1,339.45** | **3,484.17** | **2,180.42** | **647.73** | **273.05** | **2,733.45** |
| | | | | | | | | |
| **Result** | | | | | | | | |
| Segment Result | 390.61 | 134.55 | 389.67 | 914.83 | 440.84 | 94.57 | (1.28) | 534.13 |
| Unallocated Expenses net off unallocated income | | | | 7.80 | | | | 97.42 |
| **Operating Profit** | | | | **922.63** | | | | **631.55** |
| Interest & Forex Fluctuation Loss (Net) | | | | (93.87) | | | | (14.74) |
| **Profit Before Tax & Extraordinary Item** | | | | **828.76** | | | | **616.81** |
| Tax Expenses | | | | | | | | |
| Current Year | | | | (0.12) | | | | 151.14 |
| Deffered Taxation | | | | 220.82 | | | | (0.21) |
| **Profit after Taxation** | | | | **608.06** | | | | **465.88** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | 2024-25 | | | | 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | Steel | Ferro | Power | Total | Steel | Ferro | Power | Total |
| **Other Information** | | | | | | | | |
| Segment Assets | 992.89 | 247.69 | 3,997.77 | 5,238.35 | 789.04 | 206.53 | 106.23 | 1,101.80 |
| Unallocated Assets | | | | 2,587.97 | | | | 2,788.90 |
| **Total Assets** | | | | **7,826.32** | | | | **3,890.70** |
| Segment Liabilities | 109.94 | 61.57 | 1,434.09 | 1,605.60 | 164.09 | 25.58 | 39.59 | 229.26 |
| Unallocated Liabilities | | | | 401.71 | | | | 145.10 |
| **Total Liabilities** | | | | **2,007.31** | | | | **374.36** |
| Capital Expenditure | 93.26 | 9.54 | 3,210.93 | 3,313.73 | 40.91 | 15.08 | 17.53 | 73.52 |
| Depreciation / Amortization | 42.52 | 8.40 | 93.69 | 144.61 | 39.06 | 9.83 | 9.59 | 58.48 |
| Unallocated Depreciation | | | | 5.41 | | | | 6.00 |

**Notes:**

(1) There is no customer having 10% of total revenue.

(2) No operating segments have been aggregated to from the above reportable operating segments.

## 35 BUSINESS COMBINATION

On August 21, 2024, the Company completed acquisition of SKS Power Generation (Chhattisgarh) Limited ('SKS Power') pursuant to the Resolution Plan ('RP') approved by the National Company Law Tribunal vide its order dated August 13, 2024, under Corporate Insolvency and Resolution Process ('CIRP') of the Insolvency and Bankruptcy Code, 2016 ('IBC'). Approval of our Resolution Plan is challenged by unsuccessfull applicants in the Hon'ble Supreme Court, following rejection of their appeal in the NCLAT.

With effect from August 21, 2024, being the Transfer Date, in terms of the Resolution Plan, the existing issued, subscribed and paid-up share capital of SKS Power stood cancelled fully, without requiring any further act or deed. Subsequent to the reconstitution of the Board of Directors, taking over management control and subscribing to the equity share capital, SKS Power became a wholly owned subsidiary of the Company (100% voting interest).

Further, pursuant to the resolution plan, the Company amalgamated the whole of the undertaking of SKS Power along with all the properties, assets, liabilities, permits, licenses, investments etc. with the Company as a going concern w.e.f. appointed date of September 1, 2024. The Company has taken over the assets and liabilities at their acquisition date fair values. No additional consideration has been paid on the amalgamation.

The business combination has been initially accounted for on a provisional basis under Ind AS103 "Business Combination". During the quarter ended March 31, 2025, the Company has finalized purchase price accounting (PPA) for the acquisition of SKS Power basis final fair valuation of assets and liabilities acquired, within one year from the date of acquisition as per Ind AS 103 "Business Combination". The Company has paid consideration of ₹1,783.98 Crore against the acquisition and accounted for Capital Reserve of ₹ 1,732.19 Crore after fair valuation of net idnetifiable assets due to the Business Combination.

The fair value of the identified assets acquired, and liabilities assumed as adjusted for measurement period adjustments as on the acquisition date are as follows:

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | Provisional fair value considered as on 30.09.2024 | Fair Value at acquisition date Accounted as on 31.03.2025 |
|---|---|---|
| **Non-Current Assets** | | |
| Property, Plant and Equipment | 3,062.84 | 3,063.72 |
| Capital Work-in-Progress | 5.82 | 12.47 |
| Right of Use Asset | 17.41 | 37.67 |
| Other Financial Assets | 3.61 | 3.21 |
| Deferred Tax Assets (Net) | 145.12 | 312.96 |
| Other Non-Current Assets | 48.83 | 76.30 |
| | **3,283.63** | **3,506.33** |
| **Current Assets** | | |
| Inventories | 79.65 | 79.65 |
| Trade Receivables | 51.01 | 43.54 |
| Other Financial Assets | 8.86 | 9.19 |
| Other Current Assets | 131.78 | 131.57 |
| | **271.30** | **263.95** |
| **Total Assets [A]** | **3,554.93** | **3,770.28** |
| **Non-Current Liabilities** | | |
| Lease Liabilities | 16.69 | 36.95 |
| Provisions | 5.20 | 215.97 |
| | **21.89** | **252.92** |
| **Current Liabilities** | | |
| Lease Liabilities | 0.71 | 0.71 |
| Other Financial Liabilities | 74.09 | - |
| Provisions | 0.48 | 0.48 |
| | **75.28** | **1.19** |
| **Total Liabilities [B]** | **97.17** | **254.11** |
| **Fair Value of Identifiable Net Assets [C=A-B]** | **3,457.76** | **3,516.17** |

As on acquisition date, the gross carrying amount of Trade Receivables and Other Financial Assets acquired was amounting to ₹ 55.94 Crore against which no additional provision had been considered since the fair value of acquired Receivables were equal to carrying value as on the date of acquisition.

Acquisition costs of ₹ 6.98 Crore related to SKS Power acquisition have been charged to statement of profit and loss under the head "Legal & Professional Expenses".

Since the date of acquisition, SKS Power has contributed ₹ 1,077.62 Crore to the group revenue and it is impracticable to determine the profit and loss contributed by SKS Power due to substantial inter-segment transactions taken place after the date of acquisition.

If the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue of the combined entity would be ₹ 4,559.16 Crore and it is impracticable to determine the profit and loss of the combined entity due to substantial inter-segment transactions taken place after the date of acquisition. In determining these amounts, management has assumed that the fair vaue adjustments, that arose on the date of acquisition would have been same if the acquisition had occurred on 1st April 2024.

Due to business combination, the current year figures are not strictly comparable to those of the previous year.

# Notes to financial statements

**For financial year ended 31st March 2025**

## 36 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<br>Sarda Global Ventures Pte Limited, Singapore<br>Sarda Global Trading DMCC, Dubai<br>Sarda Metals & Alloys Limited<br>Sarda Energy Limited<br>Kalyani Coal Mining Private Limited<br>Madhya Bharat Power Corporation Limited<br>Parvatiya Power Limited<br>Natural Resources Energy Private Limited |
| 2 | Controlled Entities | Chhattisgarh Hydro Power LLP<br>Sarda Hydro Power LLP<br>Shri Ram Electricity LLP |
| 3 | Joint Ventures | Bartunga Coal Private Limited<br>Raipur Infrastructure Company Limited<br>Madanpur South Coal Company Limited |
| 4 | Related Enterprises where interest of the company/directors exists | Chhatisgarh Investments Limited<br>Geschaft Formulae India Private Limited<br>Rishabh Mining and Transport Company Private Limited<br>Sarda Dairy & Food Products Limited<br>Earth Stahl & Alloys Private Limited<br>Chhattisgarh Metaliks and Alloys Private Limited<br>Raipur Mega Food Park Private Limited |
| 5 | Director / Key Management Personnel (KMP) | Mr. Kamal Kishore Sarda<br>Mr. Pankaj Sarda<br>Mr. Padam Kumar Jain (WTD & CFO)<br>Mr. Amal Kumar Debnath<br>Mr. Asit Kumar Basu (till 31.03.2024)<br>Mr. Binoy Parikh<br>Mr. Jitender Balakrishnan (till 31.03.2024)<br>Mr. Rajeev Sharma<br>Mr. Rakesh Mehra (till 31.03.2024)<br>Ms. Tripti Sinha<br>Mr. Upendra Prasad Singh<br>Mr. Manish Sethi (CS) |
| 6 | Relatives of Directors /Relatives of KMPs / Promoters Group | Mr. Anant Sarda<br>Mrs. Vipula Sarda<br>Mr. Raghav Sarda<br>Mr. Ghanshyam Sarda |

# Notes to financial statements

**For financial year ended 31st March 2025**

**b) Material Transactions with Related Parties**

(₹ in Crore)

| | Subsidiaries | Controlled Entities | Joint Ventures | Related Enterprises where interest of the Company /directors exists | Director / KMP | Relatives of Directors /Relatives of KMP's / Promoter Group |
|---|---|---|---|---|---|---|
| Loans/Advances Given | 238.15 | 70.82 | - | 2,158.18 | - | - |
| | (313.11) | (83.70) | - | (1,746.33) | - | - |
| Loans/Advances Received Back | 225.46 | 137.32 | 0.02 | 2,265.79 | - | - |
| | (555.75) | (37.50) | - | (1,639.67) | - | - |
| Loans/Advances Taken | 0.23 | - | 25.15 | - | - | - |
| | (49.31) | - | - | - | - | - |
| Loans/Advances Repaid | 25.97 | - | 2.08 | - | - | - |
| | (0.29) | - | - | - | - | - |
| Material Sold | 65.29 | 0.01 | - | 0.66 | - | - |
| | (101.06) | (0.33) | - | (0.26) | - | - |
| Materials Purchased | 5.77 | 0.86 | - | 0.56 | - | - |
| | (36.49) | - | - | (0.41) | - | - |
| Interest Received | 11.57 | 4.26 | - | 29.00 | - | - |
| | (29.01) | (7.25) | - | (23.85) | - | - |
| Interest Paid | 2.02 | - | 1.61 | - | - | - |
| | (0.96) | - | - | - | - | - |
| Commission Paid | - | - | - | - | 16.13 | - |
| | - | - | - | - | (11.58) | - |
| Remuneration | - | - | - | - | 5.30 | 0.66 |
| | - | - | - | - | (4.83) | (0.54) |
| Rent Paid | - | - | - | 2.33 | - | 0.14 |
| | - | - | - | (1.65) | - | (0.14) |
| Services Offered | - | - | 0.04 | - | - | - |
| | - | - | (0.03) | - | - | - |
| Services Received | - | - | - | 1.72 | - | - |
| | - | - | - | (1.75) | - | - |
| Land Purchase | - | - | - | 1.20 | - | 15.02 |
| | - | - | - | (14.02) | - | - |
| Corporate Guarantee Commission | 0.71 | - | 0.48 | - | - | - |
| | (0.57) | - | - | - | - | - |
| Investments made/Share application money | 9.11 | 34.19 | 26.80 | - | - | - |
| | (24.80) | (55.90) | - | - | - | - |
| Share of profit/(loss) | - | 21.05 | - | - | - | - |
| | - | (14.73) | - | - | - | - |
| Investments Reduced | - | 4.16 | - | - | - | - |
| | - | - | - | - | - | - |

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

# Notes to financial statements

**For financial year ended 31st March 2025**

**Outstanding as at 31.03.2025**

(₹ in Crore)

| | Subsidiaries | Controlled Entities | Joint Ventures | Related Enterprises where interest of the Company /directors exists | Director / KMP | Relatives of Directors /Relatives of KMP's / Promoter Group |
|---|---|---|---|---|---|---|
| Receivable | 121.47 | 31.43 | - | 291.29 | - | - |
| | (100.81) | (94.05) | - | (373.54) | - | (15.02) |
| Corporate Guarantee / Indemnity Outstanding | 17.26 | - | 40.75 | - | - | - |
| | (25.54) | - | - | - | - | - |
| Investments | 821.79 | 220.30 | 30.73 | - | - | - |
| | (812.09) | (169.23) | (3.93) | - | - | - |
| Payables | 26.02 | 0.22 | 24.55 | 0.72 | 15.52 | 0.17 |
| | (50.14) | - | - | (0.18) | (11.59) | (0.03) |

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

| | 2024-25 | 2023-24 |
|---|---|---|
| **Loans/Advances given** | | |
| Chhatisgarh Investments Limited | 2,158.18 | 1,746.33 |
| **Loans/Advances Received Back** | | |
| Chhatisgarh Investments Limited | 2,265.79 | 1,639.67 |
| **Loans/Advances Taken** | | |
| Bartunga Coal Private Limited | 25.15 | - |
| **Loans/Advances Repaid** | | |
| Madhya Bharat Power Corporation Limited | 25.01 | - |
| **Materials Sold** | | |
| Sarda Energy Limited | 11.46 | 9.24 |
| Sarda Metals & Alloys Limited | 53.83 | 91.82 |
| **Materials Purchased** | | |
| Sarda Metals & Alloys Limited | 5.77 | 34.53 |
| Chhattisgarh Hydro Power LLP | 0.86 | - |
| **Interest Received** | | |
| Chhatisgarh Investments Limited | 29.00 | 23.85 |
| Sarda Energy Limited | 4.92 | 2.28 |
| **Interest Paid** | | |
| Kalyani Coal Mining Private Limited | 2.02 | 0.96 |
| Bartunga Coal Private Limited | 1.61 | - |
| **Commission paid** | | |
| Mr. Kamal Kishore Sarda | 7.00 | 5.00 |
| Mr. Pankaj Sarda | 7.00 | 5.00 |
| **Remuneration Paid** | | |
| Mr. Kamal Kishore Sarda | 2.65 | 2.50 |
| Mr. Pankaj Sarda | 1.21 | 1.06 |
| Mr. Padam Kumar Jain | 0.98 | 0.91 |
| Mr. Anant Sarda | 0.66 | 0.54 |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| **Rent Paid** | | |
| Chhatisgarh Investments Limited | 1.09 | 0.70 |
| Rishabh Mining and Transport Company Private Limited | 1.24 | 0.95 |
| **Services Offered** | | |
| Raipur Infrastructure Company Limited | 0.04 | 0.03 |
| **Services Received** | | |
| Geschaft Formulae India Private Limited | 1.72 | 1.75 |
| **Land Purchase** | | |
| Mr. Anant Sarda | 6.55 | - |
| Mrs. Vipula Sarda | 2.68 | - |
| Mr. Raghav Sarda | 5.78 | - |
| **Corporate Guarantee Commission** | | |
| Sarda Metals & Alloys Limited | 0.61 | 0.53 |
| Kalyani Coal Mining Private Limited | 0.10 | 0.04 |
| Bartunga Coal Private Limited | 0.48 | - |
| **Investment Made including Share Application** | | |
| Sarda Global Trading DMCC, Dubai | 9.11 | - |
| Chhattisgarh Hydro Power LLP | 34.14 | 55.87 |
| Bartunga Coal Private Limited | 26.80 | - |
| **Investment Reduced** | | |
| Chhattisgarh Hydro Power LLP | 2.55 | - |
| Shri Ram Electricity LLP | 1.62 | - |
| **Share of Profit** | | |
| Chhattisgarh Hydro Power LLP | 21.05 | 14.73 |

**Outstanding as on 31.03.2025**

| | 31st March 2025 | 31st March 2024 |
|---|---|---|
| **Investments** | | |
| Sarda Metals & Alloys Limited | 214.58 | 214.00 |
| Madhya Bharat Power Corporation Limited | 460.09 | 460.09 |
| Chhattisgarh Hydro Power LLP | 217.95 | 165.32 |
| **Receivables** | | |
| Chhatisgarh Investments Limited | 285.60 | 367.91 |
| Sarda Energy Limited | 56.80 | 51.37 |
| Parvatiya Power Limited | 48.80 | 37.79 |
| **Corporate Guarantee Outstanding** | | |
| Sarda Metals & Alloys Limited | 9.01 | 17.29 |
| Kalyani Coal Mining Private Limited | 8.25 | 8.25 |
| Bartunga Coal Private Limited | 40.75 | - |
| **Payables** | | |
| Kalyani Coal Mining Private Limited | 25.97 | 24.88 |
| Bartunga Coal Private Limited | 24.55 | - |

**Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of business and on arm's length basis. For the year ended 31 March 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: ₹ NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Notes to financial statements

**For financial year ended 31st March 2025**

## 37. CONTINGENT LIABILITIES AND COMMITMENTS

### (A) Contingent Liabilities and Claims against the Company

(₹ in Crore)

| Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| **Disputed Tax matters and claims:** | | |
| (a) Excise Duty, Customs, Service Tax and Goods & Service Tax | 1.68 | 4.66 |
| (b) Sales Tax, VAT and Entry Tax | 9.66 | 9.66 |
| (C) Income Tax | 17.61 | 23.67 |
| **Others Taxes, claims and Litigations:** | | |
| Levies-Relating to Energy Development Cess | 93.33 | 88.70 |
| Relinquishment Charges of 156 MW LTA for Kolam Power Plant | - | 97.20 |
| Claims by suppliers, Government and other parties | 17.66 | 23.93 |
| **Total** | **139.94** | **247.82** |

**(1) Disputed Tax matters and claims:**

As at 31st March, 2025, there are pending litigations concerning various matters related to excise, customs, service tax, VAT, GST and Income Tax, involving demands of ₹ 28.95 crore (PY: ₹ 37.98 crore). The details of significant demands are as follows:

(a) Excise duty cases includes disputes related to the availment of CENVAT Credit, which have been contested by the Company at different forums. As at 31st March, 2025, the total amount under dispute is ₹ 0.28 crore (PY: ₹ 0.51 crore).

(b) The Principal ADG of DRI, Ahmedabad, issued a SCN alleging that the Company acquired MEIS scrips (and utilized for payment of custom duty) from an exporter who obtained them through deliberate misclassification of exported goods to gain undue benefits. The matter has been adjudicated by the Pr. Comm. of Customs, Mumbai, and confirmed a demand of ₹ 0.20 Crore. Aggrieved by the order, the Company has filed an appeal before CESTAT Mumbai.

(c) Service tax demand of ₹ 0.09 crore (PY: ₹ 0.69 crore) has been raised by the department across various disputed matters on the ground of Taxability. The Company has contested these demands and preferred an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT) Delhi.

(d) Various matters has been adjudicated by the GST authorities by raising a demand of ₹ 3.48 Crore including interest and penalty. The Company appealed to the first appellate authority, who partially allowed the appeal and re-affirmed the remaining demands. Aggrieved by the appellate order, the Company has submitted a letter of intent to the department, expressing its intention to file an appeal before the appellate tribunal once it becomes operational. As at 31st March, 2025, the total amount under dispute is ₹ 1.08 Crore.

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

(f) The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain allowances. Most of these disputes and/or disallowances are repetitive in nature and have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2025, there are matters and/or disputes, pending in appeal amounting to ₹17.6 crore (31st March, 2024: ₹17.6 crore). The Company expects to sustain its position on ultimate resolution of the said appeals.

(g) It is not practicable to predict the outcome and timing of cashflow (if any) of the pending litigations with accuracy. However, basis experts opinions and/or internal assessment, the Company believes that it has meritorious defences to the claims and pending actions will not require outflow of resources

# Notes to financial statements

**For financial year ended 31st March 2025**



embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

**(2) Others Taxes, claims and Litigations:**

(a) Relinquishment charges of ₹97.20 Crore have been demanded for 156 MW LTA of Kolam Power Plant, as per CERC order dated 08.03.2019 in Petition No. 92/MP/2015, read with corrigendum dated 10.05.2019. The Company has filed a petition before the Hon'ble Tribunal for Electricity, New Delhi, challenging the said order. The matter is decided in favour of Company with no cost. As at 31st March, 2025, the total amount under dispute is ₹NIL crore (PY: ₹ 97.20 crore).

(b) Chief Electrical Inspector, Govt. of Chhattisgarh has issued a demand for recovery of Energy Development Cess for the period May 2006 to December 2024 in the light Chhattisgarh Upkar Sansodhan Adhiniyam 2004.

The Company challenged the constitutional validity of Section 3 (1-a) of the act before Hon'ble HC of Chhattisgarh, wherein the court 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 Honourable Supreme Court.

As at 31st March, 2025, the total amount under dispute is ₹ 93.33 crore (PY: ₹ 88.70 crore) which is pending for resolution.

**(B) Guarantees and Undertakings:**

(₹ in Crore)

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| (i) Guarantees issued by the Companies Bankers on behalf of the Company | 584.99 | 545.14 |
| (ii) Corporate Guarantees/Undertakings issued to lenders of third parties (Including subsidiaries and Joint ventures) | 58.01 | 25.54 |

(a) The Company has given continuing corporate guarantee to the extent of ₹ 9.01 Crore (PY ₹ 17.29 Crore) for Sarda Alloys and Metal Limited (SAML), a wholly owned subsidiary, in the favour of HDFC Bank in relation to various credit facilities availed for its business operations.

(b) The Company has provided indemnity/guarantee for an amount of ₹ 49.00 Crore (PY ₹ 8.25 Crore) to YES Bank on behalf of its wholly owned subsidiaries/joint ventures (Kalyani Coal Mining Private Limited and Bartunga Coal Private Limited) for the sanctioning of a bank guarantees to South Eastern Coalfields Limited for performance security against the milestones of mine development and operation agreement (for Kalyani UG and Bartunga coal mines) undertaken by its subsidiaries/joint ventures (Kalyani Coal mining Private Limited and Bartunga Coal Private Limited).

**(C) Commitments**

(₹ in Crore)

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 79.33 | 145.15 |
| | **79.33** | **145.15** |

## 38. CONTINGENT ASSETS

(I) The Company has various pending insurance claims amounting ₹ 0.30 Crore (PY: ₹ 0.50 crore) against Machine Break Down (MBD).

(II) The Company has claimed refund of ₹ 6.30 Crore (PY: ₹ 6.30) Vikas Upkar and Paryavaran Upkar in respect of its coal mines at Gare Palma IV/7.

(III) IPP unit of Company filed a claim of ₹ 13.57 Crore (PY: ₹ NIL) towards reimbursement of taxes and duties arises from change in Law in persuant to directions passed by Central Electricity Regulatory Commission (CERC) in the matter of long-term Power Purchase Agreement entered into between M/s Powerica Limited and Solar Energy Corporation of India Limited.

(IV) Other claims by the Company not recognized as asset is ₹0.45 Crore (PY: ₹ 0.91 Crore)

# Notes to financial statements

**For financial year ended 31st March 2025**

## 39 CORPORATE SOCIAL RESPONSIBILITY

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

a) Gross amount required to be spent by the company during the year is ₹15.08 Crore

b) Amount spent during the year on:

(₹ in Crore)

| Sl. No. | Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | Gross amount required to be spent by the Group during the year | 15.08 | 13.74 |
| (b) | Amount spent during the year | 15.99 | 13.79 |
| (c) | Amount approved by the Board to be spent during the year | 15.11 | 13.79 |
| (d) | Amount carried forward to next financial year | 0.88 | - |

| (e) | Amount spent during the year ending on 31 March 2025: | In Cash | Yet to be paid | Total |
|---|---|---|---|---|
| | (i) Construction / acquisition of any asset | - | - | - |
| | (ii) On purposes other than (i) above | 15.99 | - | 15.99 |
| (f) | Amount spent during the year ending on 31March 2024: | | | |
| | (i) Construction / acquisition of any asset | - | - | - |
| | (ii) On purposes other than (i) above | 13.79 | | 13.79 |

## 40 DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT 2006

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

(₹ in Crore)

| | Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|---|
| (i) | Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year | | |
| | - Principal amount due to micro and small enterprise | 3.40 | 6.15 |
| | - Interest due on above | - | - |
| (ii) | Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period. | | |
| | - Payment made beyond the Appointed date | - | - |
| | - Interest paid beyond the Appointed date | - | - |
| (iii) | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | Particulars | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|---|
| (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. | - | - |

## 41 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise of loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also enters into derivative contracts.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Market Risk:

- Interest rate risk
- Currency risk
- Price risk

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

**Credit Risk**

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

**Trade receivables**

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

**Loans and Advances**

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

**Cash and cash equivalents**

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

# Notes to financial statements

**For financial year ended 31st March 2025**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Trade and other receivables | 172.34 | 41.48 |
| Loans and advances | 618.69 | 676.30 |
| Cash and cash equivalents | 23.81 | 76.11 |

**Impairment losses**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Trade and other receivables (measured under life time excepted credit loss model | | |
| Opening balance | 2.94 | 2.92 |
| Provided during the year | 106.84 | 0.02 |
| Closing balance | **109.78** | **2.94** |

**Ageing analysis**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Upto 3 months | 172.26 | 40.92 |
| 3-6 months | | 0.49 |
| More than 6 months | 109.86 | 3.01 |
| | **282.12** | **44.42** |

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

**Liquidity risk**

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

**Financing arrangements**

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

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Cash Credit facility | 152.02 | 191.42 |
| Current investments | 354.29 | 413.87 |

# Notes to financial statements

**For financial year ended 31st March 2025**



### Maturities of financial liabilities

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

(₹ in Crore)

| As at 31 March 2025 | Less than 1 year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| Borrowings | 190.57 | 679.27 | 628.84 | **1,498.68** |
| Lease liabilities | 4.57 | 14.97 | 333.27 | **352.81** |
| Trade payables | 106.77 | - | - | **106.77** |
| Security deposits | 3.44 | 21.53 | - | **24.97** |
| Other financial liabilities | 64.64 | - | - | **64.64** |
| | **369.99** | **715.77** | **962.11** | **2,047.87** |

| As at 31 March 2024 | Less than 1 year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| Borrowings | 99.22 | 34.79 | - | **134.01** |
| Lease liabilities | - | - | - | **-** |
| Trade payables | 68.26 | - | - | **68.26** |
| Security deposits | 0.56 | 3.05 | - | **3.61** |
| Other financial liabilities | 44.84 | - | - | **44.84** |
| | **212.88** | **37.84** | **-** | **250.72** |

### Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversley 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**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Variable rate borrowings | 1,448.16 | 84.14 |
| Fixed rate borrowings | 50.52 | 49.87 |

**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 | |
|---|---|---|
| | As at 31st March 2025 | As at 31st March 2024 |
| Interest rates - increase by 70 basis points | (9.63) | (0.43) |
| Interest rates - decrease by 70 basis points | 9.63 | 0.43 |

**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.

# Notes to financial statements

**For financial year ended 31st March 2025**

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

**Currency In Crore**

| | Currency | 2024-25 | 2023-24 |
|---|---|---|---|
| Trade Payables | USD | 0.19 | 0.23 |
| Trade Receivables | USD | (0.23) | (0.81) |

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

| | Impact on profit after tax | |
|---|---|---|
| | As at 31st March 2025 | As at 31st March 2024 |
| Foreign exchange rates - increase by 1% | 0.04 | 0.48 |
| Foreign exchange rates - decrease by 1% | (0.04) | (0.48) |

**PRICE RISK**

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

**Sensitivity Analysis for Price Risk**

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 7.09 Crore (2023-24: ₹8.28 Crore ); an equal change in the opposite direction would have decreased profit and loss. For equity investments classified as at FVTOCI, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 0.029 Crore (2023-24:₹ 0.029 Crore); an equal change in the opposite direction would have decreased profit and loss.

## 42 CAPITAL MANAGEMENT

The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available (either through cash and cash equivalents, investments or committed credit facilities) to meet the needs of the business;

- ensure compliance with covenants related to its credit facilities and secured debentures; and

- minimize finance costs while taking into consideration current and future industry, market and economic risks and conditions;

- safeguard its ability to continue as a going concern;

- to maintain an efficient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

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

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

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

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Total liabilities | 1,536.93 | 134.02 |
| Less : Cash and cash equivalent | 23.81 | 76.11 |
| **Net debt** | **1,513.12** | **57.91** |
| Total equity | 5,819.01 | 3,516.34 |
| **Net debt to equity ratio** | **0.26** | **0.02** |

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

## 43 FINANCIAL INSTRUMENTS

### A. Accounting classification and fair values

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| **31st March, 2025** | **FVTPL** | **FVTOCI** | **Amortized Cost*** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Bank, cash and cash equivalents | - | - | 489.29 | 489.29 | - | - | - | - |
| **Non-current investments** | | | | | | | | |
| Unquoted Equity Investments | - | 1.45 | 1,072.82 | 1,074.27 | - | 1.45 | - | 1.45 |
| Quoted Mutual Funds | 0.38 | - | - | 0.38 | 0.38 | - | - | 0.38 |
| **Current investments** | | | | | | | | |
| Quoted Investments | 354.29 | - | - | 354.29 | 354.29 | - | - | 354.29 |
| Loans & other financial assets | - | - | 624.70 | 624.70 | - | - | - | - |
| Trade receivables | - | - | 172.34 | 172.34 | | | | - |
| | **354.67** | **1.45** | **2,359.15** | **2,715.27** | **354.67** | **1.45** | **-** | **356.12** |
| **Financial liabilities** | | | | | | | | |
| Long term borrowings | - | - | 1,308.11 | 1,308.11 | - | - | - | - |
| Short term borrowings | - | - | 190.57 | 190.57 | - | - | - | - |
| Lease Liabilities | - | - | 38.25 | 38.25 | - | - | - | - |
| Trade payables | - | - | 106.77 | 106.77 | - | - | - | - |
| Other financial liabilities | - | - | 89.61 | 89.61 | - | - | - | - |
| | - | - | **1,733.31** | **1,733.31** | **-** | **-** | **-** | **-** |

| | Carrying amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| **31st March, 2024** | **FVTPL** | **FVTOCI** | **Amortized Cost*** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Bank, cash and cash equivalents | - | - | 623.00 | 623.00 | - | - | - | - |
| **Non-current investments** | | | | | | | | |
| Unquoted Equity Investments | - | 1.45 | 985.24 | 986.69 | - | 1.45 | - | 1.45 |
| Quoted Mutual Funds | 0.35 | - | - | 0.35 | 0.35 | - | - | 0.35 |
| **Current investments** | | | | | | | | |
| Quoted Investments | 413.87 | - | - | 413.87 | 413.87 | - | - | 413.87 |
| Loans & other financial assets | - | - | 678.38 | 678.38 | - | - | - | - |
| Trade receivables | - | - | 41.48 | 41.48 | - | - | - | - |
| | **414.22** | **1.45** | **2,328.10** | **2,743.77** | **414.22** | **1.45** | **-** | **415.67** |

# Notes to financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | Carrying amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| **March 31, 2024** | **FVTPL** | **FVTOCI** | **Amortized Cost*** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial liabilities** | | | | | | | | |
| Long term borrowings | - | - | 34.79 | 34.79 | - | - | - | - |
| Short term borrowings | - | - | 99.23 | 99.23 | - | - | - | - |
| Trade payables | - | - | 68.26 | 68.26 | - | - | - | - |
| Other financial liabilities | - | - | 48.44 | 48.44 | - | - | - | - |
| | **-** | **-** | **250.72** | **250.72** | **-** | **-** | **-** | **-** |

* The carrying value and the fair value approximates.

**B. Measurement of fair values**

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

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

**C. Valuation techniques**

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

4) The fair values of the unquoted equity shares designated at FVTOCI has been estimated by using the most recent purchase price of such shares (level 2)

## 44 INCOME TAX EXPENSE

**i) Income tax recognized in profit or loss**

**a) Current tax expense**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Current year | - | 151.83 |
| Adjustment for prior periods | (0.12) | (0.69) |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | 220.82 | (0.21) |
| **Total income tax expense** | **220.70** | **150.93** |

# Notes to financial statements

**For financial year ended 31st March 2025**

**ii) Income tax recognized in OCI**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Remeasurements of defined benefit plans and fair valuation of Equity Instruments | (0.00) | 0.09 |
| **Total income tax expense relating to OCI items** | **(0.00)** | **0.09** |

**b) Reconciliation of tax expense and accounting profit**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Accounting profit before tax from continuing operations | 828.76 | 616.81 |
| Accounting profit before tax from discontinued operations | | |
| **Accounting profit before tax** | **828.76** | **616.81** |
| **Expected Tax Rate** | **25.17%** | **25.17%** |
| Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%) | 208.58 | 155.24 |
| Adjustments in respect of current income tax of previous years | (0.12) | (0.69) |
| Exempted Income not considered for tax purpose | (5.30) | (3.71) |
| Expense Allowable for tax purpose | (71.51) | (55.73) |
| Expense not allowed for tax purpose | 48.44 | 22.65 |
| Deduction under Chapter VIA | (0.96) | (1.37) |
| Income not considered for tax purpose in other than PGBP | 26.76 | 29.59 |
| Short Term Capital Loss Claimed | - | (0.18) |
| Utilisation of previously unrecognized tax losses/unabsorbed depreciation | (206.02) | - |
| Other temporary differences | 220.82 | (0.21) |
| **Effective income tax rate** | **26.63%** | **23.60%** |
| Tax Differences due to interest | - | 5.34 |
| Income tax reported before Adjustment | 220.70 | 145.58 |
| Income tax reported in the statement of profit and loss | 220.70 | 150.93 |
| | **220.70** | **150.93** |

**c) Deferred tax assets and liabilities**

Deferred tax relates to the following:

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| DTL/(DTA) due to accelerated depreciation for tax purposes | 9.42 | (4.99) |
| DTL/(DTA) due to expenses allowed on payment basis | 1.01 | 0.26 |
| DTL/(DTA) impact on indexation of land | 10.58 | (0.62) |
| DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation | 206.02 | - |
| DTL/(DTA) impact on net movement, Valuation & others | (6.21) | 5.23 |
| | **220.82** | **(0.12)** |

# Notes to financial statements

**For financial year ended 31st March 2025**

**d) Reconciliation of deferred tax assets/ Liabilities** (₹ in Crore)

| | 31st March 2025 | 31st March 2024 |
|---|---|---|
| Opening balance as at 1 April | 39.46 | 39.58 |
| DTL/(DTA) on account of business combination | (312.96) | - |
| Tax income/expense during the period recognized in profit or loss | 220.82 | (0.12) |
| **Closing balance** | **(52.68)** | **39.46** |

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

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

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

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

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

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

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

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

## 53 DISTRIBUTION MADE AND PROPOSED

(₹ in Crore)

| Distribution made and proposed: | 31.03.2025 | 31.03.2024 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend paid during the year ended on 31st March 2025:₹ 1.00 per share (31st March 2024: ₹ 1.50 per share) | 35.24 | 52.86 |
| **Proposed dividends on Equity shares:** | | |
| Proposed dividend for the year ended on 31st March 2025: ₹ 1.50 per share (31st March 2024: ₹ 1.00 per share) | 52.86 | 35.24 |

# Notes to financial statements

**For financial year ended 31st March 2025**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability at the year end.

## 54 FINANCIAL RATIOS

| S. No. | Ratio | 2024-25 | 2023-24 | % Variance | Reasons for Variance for more than /less than 25% |
|---|---|---|---|---|---|
| 1 | **Current Ratio (Times)** | 6.34 | 8.26 | -23.25% | |
| | (Current Assets/ Current Liabilities) | | | | |
| 2 | **Debt - Equity Ratio (Times)** | 0.24 | 0.02 | 913.58% | Increased on account of debts taken during the year for acquisition of SKS Power Generation (Chhattisgarh) Limited. |
| | (Long Term Debts + Current Maturities) / (Equity + Other Equity) | | | | |
| 3 | **Debt -Service Coverage Ratio** | 4.92 | 9.30 | -47.14% | Decreased on account of additional interest and installments due on debts taken during the year. |
| | (Profit after Tax +Depreciation + Interest +/- Exceptional items+/- profit/(loss) on sale of fixed assets) | | | | |
| 4 | **Return on Equity** | 12.78% | 13.25% | -3.55% | |
| | (Profit after Tax / Shareholder's Equity i.e. equity + other equity) | | | | |
| 5 | **Inventory Turnover Ratio (Days)** | 40.31 | 59.82 | -32.61% | |
| | (Average Inventory / Sales X 365) | | | | |
| 6 | **Trade Receivables Turnover Ratio (Days)** | 9.18 | 8.81 | 4.23% | Increased primarily due to increase in average trade receivables due to merger of SKS Power Generation (Chhattisgarh) Limited |
| | (Average Trade Receivables / Sales X 365) | | | | |
| 7 | **Trade Payables Turnover Ratio (Days)** | 14.10 | 12.80 | 10.14% | Increased primarily due to increase in average trade payables due to merger of SKS Power Generation (Chhattisgarh) Limited. |
| | (Average Trade Payables / (Cost Material consumed+ Stores & Spares consumption X 365) | | | | |
| 8 | **Net Capital Turnover Ratio (Times)** | 2.00 | 1.42 | 40.97% | |
| | [Sales/ Working Capital (Current Assets - Current Liabilities)] | | | | |
| 9 | **Net Profit Ratio (%)** | 17.45% | 17.04% | 2.40% | |
| | (Profit after Tax / Sales) | | | | |
| 10 | **Return on Capital Employed (ROCE)** | 15.07% | 17.64% | -14.62% | Decreased due to increase in debts taken during the year and also due to increase in net worth on account of capital reserve arising through business combination. |
| | [(Earning before Interest & Taxes +/- exceptional items / (Total Net worth + Long term debt + Deferred Tax Liability)] | | | | |
| 11 | **Return on Investment** | | | | |
| | (i) Equity | -7.52% | 43.99% | -82.91% | Decreased due to fair value loss on financial instruments at FVTPL. |
| | (ii) Bonds / AIF | 9.52% | 7.00% | 36.00% | Increased due to gain on financial instruments on account of better market conditions. |
| | (iii) Mutual Funds | 7.39% | 7.34% | 0.68% | |

# Notes to financial statements

For financial year ended 31st March 2025

## 55. DISCLOSURE PURSUANT TO REGULATION 34(3) AND PARA A OF SCHEDULE V OF SEBI (LODR), REGULATIONS, 2015

**Loan and advances in the nature of loans given to subsidiaries, associates and others**

| Name of the entities | Amount outstanding as at 31.03.2025 | Maximum amount outstanding during the year | Investment by the loanee in the shares of the Company |
|---|---|---|---|
| **Loans repayment on demand:** | **₹ in Crore** | **₹ in Crore** | **No. of shares** |
| Sarda Metals & Alloys Limited | 12.88 | 42.52 | |
| Parvatiya Power Limited | 48.80 | 48.80 | |
| Sarda Energy Limited | 56.80 | 66.65 | |
| Natural Resources Energy Private Limited | 2.71 | 4.42 | |
| Chhattisgarh Hydro Power LLP | 26.74 | 101.30 | |
| Sarda Hydro Power LLP | 4.69 | 4.69 | |
| Chhatisgarh Investments Limited | 285.60 | 378.66 | 137,586,862 |

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

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

| Name of the entities | Transaction Value ₹ in Crore | Transaction Nature |
|---|---|---|
| Chhatisgarh Investments Limited | 1.09 | Rent paid |
| Chhatisgarh Investments Limited | 29.00 | Interest received |

## Note 56

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**Amount Outstanding as on March 31, 2025** (₹ in Crore)

| | Amount |
|---|---|
| Loans Given | 613.04 |
| Guarantes / Indemnity Given | 58.01 |
| Investments Made | 1,074.65 |

# Notes to financial statements

**For financial year ended 31st March 2025**

## Loans, Guarantees given or Investments made during FY 2024-25

(₹ in Crore)

| Name of the Entity | Amount | Particulars of Loans, Guarantees given or Investments made | Purpose for which the Loans, Guarantees given or Investments are proposed to be utilised |
|---|---|---|---|
| Parvatiya Power Limited | 7.25 | (Loan)* | (Business Purpose) |
| Sarda Metals & Alloys Limited | 6.51 | | |
| Sarda Energy Limited | 0.92 | | |
| Sarda Hydro Power LLP | 4.15 | | |
| Kamal Bidi Leaves Co | 0.50 | | |
| Shree Pariyojna Nirman Private Limited | 13.00 | | |
| Shiv Trading Co. | 0.25 | | |
| K K Vyas | 1.25 | | |
| Vyas & Co. | 1.00 | | |
| Arihant Infrastructure | 0.92 | | |
| Spectrum Dyes And Chemicals Private Limited | 5.00 | | |
| Ayush Jalan | 2.50 | | |
| Pratyush Jalan | 2.50 | | |
| Eastern Suply Company | 1.00 | | |
| Banka Finance And Securities Private Limited | 75.00 | | |
| Amar Infrastructure | 1.25 | | |
| Bartunga Coal Private Limited | 40.75 | Indemnity | |
| Sarda Global Trading DMCC | 9.11 | Investment | |
| Bartunga Coal Private Limited | 26.80 | | |
| Chhattisgarh Hydro Power LLP | 52.64 | | |

Note :- * Represents net amount of loan given and repaid during the year ended 31st March 2025

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

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated :May 24, 2025

# Independent

**Auditors Report**

**TO THE MEMBERS OF**
**SARDA ENERGY & MINERALS LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **SARDA ENERGY & MINERALS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2025, and the consolidated statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Holding Company as at 31st March, 2025, of consolidated profit (including total comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Accounting for Acquisition - Business Combination of SKS Power Generation (Chhattisgarh) Limited (SKS).**<br><br>[Refer to Note 52 to the Consolidated Financial Statements – "Business combination"].<br><br>On August 21, 2024, the Holding Company completed the acquisition of business of SKS Power Generation (Chhattisgarh) Limited ("SKS"), pursuant to the approved resolution plan under the Insolvency and Bankruptcy Code, 2016 approved by National Company Law Tribunal (NCLT) Order dated August 13, 2024 and became the wholly owned subsidiary and subsequently, pursuant to the Order of National Company Law Tribunal (NCLT), SKS ("Transferor Company") was merged with the Holding Company w.e.f. September 1, 2024. | **Our audit procedures included the following:**<br><br>• We understood the process from the management, assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination.<br><br>• We have obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence.<br><br>• We have traced the value of the consideration transferred with reference to the resolution plan.<br><br>• We have traced the assets, liabilities, tax losses of SKS from the audited special purpose financial statements / financial information received from the management. |

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**Auditors Report**

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| The Holding Company determined the acquisition to be business combination in accordance with Ind AS 103. Ind AS 103 requires the identified assets and liabilities be recognized at fair value at the date of acquisition with the excess of identified fair value of recognized assets and liabilities over the acquisition cost as capital reserve.<br><br>On merger, the carrying value of the assets and liabilities of the SKS as at August 21, 2024 have been incorporated in the books of the Company with merger adjustments, as applicable.<br><br>The Management determined that the fair values of the net identifiable assets acquired was ₹ 3516.17 crore. The valuation was performed as part of the Purchase Price Allocation (PPA).<br><br>The Holding Company appointed independent professional valuers to perform valuation of assets and liabilities for the purpose of PPA. The purchase price allocation exercise was completed resulting in the Company recognizing capital reserve of ₹ 1732.19 crore directly in "Other Equity".<br><br>Significant assumptions and estimates were used in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction and thus we consider this area to be a Key Audit Matter. | • We have tested the PPA reports including the work done by management experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.<br><br>• We have also assessed the Holding Company's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations.<br><br>• We have also verified the management's computation of capital reserve.<br><br>Based on the above work performed, we noted that the PPA adjustments have been performed in accordance with Ind AS 103. We have also assessed and corroborated the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements and found it reasonable. |

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

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

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

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

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

# Independent

**Auditors Report**

that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

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**Auditors Report**

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

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

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

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

## Other Matters

(a) We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹2713.02 crore as at 31st March, 2025, total revenues of ₹403.10 crore, and net cash flows amounting to ₹6.62 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit of ₹21.00 crore and the Group's share of total comprehensive income of ₹19.93 crore for the year ended 31st March, 2025, as considered in the consolidated financial statements, in respect of two associates and three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities and associates, is based solely on the reports of the other auditors.

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

## Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

# Independent

**Auditors Report**

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 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, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in with accordance with the provisions of Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in its consolidated financial statements.

ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

iv. (a) The respective Managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose

# Independent
**Auditors Report**

financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(i) As stated in Note 54 to the consolidated financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) As the company has not paid and declared any interim dividend during the year and upto the date of our report, therefore, this clause is not applicable.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(j) Based on our examination which included test checks, and as communicated by the respective auditor of subsidiaries, associates and joint venture companies, the Holding Company and its subsidiary companies, associates and joint venture companies incorporated in India have used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the respective companies, incorporated in India, as per the statutory requirements for record retention.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, its subsidiaries, associates and joint venture companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company.

| Sl No. | Name of the Company | CIN | Relationship with the Holding Company | Date of the respective Auditors' Report | Paragraph number in the respective CARO reports |
|---|---|---|---|---|---|
| 1. | Madanpur South Coal Company Limited | U10300CT2006PLC020006 | Joint Venture | 21.04.2025 | Para (xvi)(a) |

FOR **SINGHI & CO.**
(ICAI Firm Regn.302049E)
*Chartered Accountants*

**SANJAY KUMAR DEWANGAN**
*Partner*
Membership number: 409524
UDIN: 25409524BMJDKO9005

Raipur, 24th May, 2025

# Annexure 'A'

**to the Independent Auditors Report**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2025, we have audited the internal financial controls over financial reporting of **SARDA ENERGY & MINERALS LIMITED** (the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

# Annexure 'A'

**to the Independent Auditors Report**

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.

## 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 2025, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

FOR **SINGHI & CO.**
(ICAI Firm Regn.302049E)
*Chartered Accountants*

**SANJAY KUMAR DEWANGAN**
*Partner*
Membership number: 409524
UDIN: 25409524BMJDKO9005

Raipur, 24th May, 2025

# Consolidated Balance Sheet

**as at 31st March 2025**

(₹ in Crore)

| | | Note | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|---|---|
| | ASSETS | | | |
| **(1)** | **Non-current Assets** | | | |
| (a) | Property, Plant & Equipment | **2** | 5,674.06 | 2,715.40 |
| (b) | Capital work-in-progress | **2** | 612.55 | 249.71 |
| (c) | Right-of-use Assets | **2** | 37.40 | - |
| (d) | Investment Property | **2** | 36.36 | 38.01 |
| (e ) | Goodwill on Consolidation | | 33.00 | 33.00 |
| (f) | Other Intangible Assets | **2** | 64.17 | 66.94 |
| (g) | Intangible Assets under development | **2** | 8.52 | 0.97 |
| (h) | Investment in associates and joint ventures | **3 (a)** | 92.31 | 52.93 |
| (i) | Financial Assets | | | |
| | (i) Investments | **3 (b)** | 51.01 | 47.93 |
| | (ii) Other Financial Assets | **4** | 46.14 | 46.48 |
| (j) | Other Non- current Assets | **5** | 322.20 | 125.92 |
| | | | **6,977.72** | **3,377.29** |
| **(2)** | **Current Assets** | | | |
| (a) | Inventories | **6** | 808.78 | 528.39 |
| (b) | Financial Assets | | | |
| | (i) Investments | **7** | 648.64 | 557.97 |
| | (ii) Trade receivables | **8** | 221.04 | 101.17 |
| | (iii) Cash & cash equivalents | **9** | 57.82 | 104.05 |
| | (iv) Bank balances other than (iii) above | **10** | 550.41 | 663.64 |
| | (v) Loans | **11 (a)** | 478.15 | 487.00 |
| | (vi) Other financial assets | **11 (b)** | 28.64 | 41.17 |
| (c) | Current tax assets (net) | | 0.51 | 0.58 |
| (d) | Other Current Assets | **12** | 352.87 | 140.59 |
| | | | **3,146.86** | **2,624.56** |
| | **TOTAL ASSETS** | | **10,124.58** | **6,001.85** |
| | EQUITY AND LIABILITIES | | | |
| | **Equity** | | | |
| (a) | Equity Share capital | **13(a)** | 35.24 | 35.24 |
| (b) | Other Equity | **13(b)** | 6,251.19 | 3,853.40 |
| | **Equity Attributable to owners of the company** | | **6,286.43** | **3,888.64** |
| | Non Controlling Interests | | 105.84 | 105.51 |
| | **Total Equity** | | **6,392.27** | **3,994.15** |
| | **Liabilities** | | | |
| **(1)** | **Non-current Liabilities** | | | |
| (a) | Financial Liabilities | | | |
| | (i) Borrowings | **14** | 2,341.94 | 1,058.27 |
| | (ii) Lease Liabilities | **15** | 33.68 | - |
| | (iii) Other financial liabilities | **16** | 48.14 | 21.18 |
| (b) | Provisions | **17** | 254.11 | 38.70 |
| (c) | Deferred tax liabilities (Net) | **18** | 21.97 | 104.80 |
| (d) | Other non current liabilities | **19** | 4.20 | 4.30 |
| | | | **2,704.04** | **1,227.25** |
| **(2)** | **Current Liabilities** | | | |
| (a) | Financial Liabilities | | | |
| | (i) Borrowings | **20** | 480.86 | 307.97 |
| | (ii) Lease Liabilities | **15** | 4.57 | - |
| | (iii) Trade Payables | **21** | | |
| | (a) Total outstanding dues of micro and small enterprises | | 4.24 | 7.64 |
| | (b) Total outstanding dues of creditors other than micro and small enterprises | | 190.15 | 164.97 |
| | (iv) Other financial liabilities | **22** | 174.35 | 146.19 |
| (b) | Other current liabilities | **23** | 167.94 | 138.12 |
| (c) | Provisions | **24** | 4.86 | 2.13 |
| (d) | Current tax liabilities (net) | | 1.30 | 13.43 |
| | | | **1,028.27** | **780.45** |
| | **TOTAL EQUITY AND LIABILITIES** | | **10,124.58** | **6,001.85** |

Material Accounting Policies 1

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Consolidated Statement of Profit and Loss

**for the year ended 31st March 2025**

(₹ in Crore)

| | | Note | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|---|---|
| I. | Revenue from operations | 25 | 4,642.85 | 3,868.13 |
| II. | Other income | 26 | 172.40 | 184.17 |
| III. | **Total Revenue (I + II)** | | **4,815.25** | **4,052.30** |
| IV. | **Expenses** | | | |
| | Cost of materials consumed | 27 | 2,495.40 | 2,287.63 |
| | Purchases of Stock-in-Trade | | 103.78 | 58.66 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 28 | (26.53) | 60.79 |
| | Employee benefits expense | 29 | 176.15 | 142.31 |
| | Finance costs | 30 | 220.20 | 128.41 |
| | Depreciation and amortization expense | 2 | 271.43 | 183.30 |
| | Other expenses | 31 | 656.71 | 520.92 |
| | **Total Expenses** | | **3,897.14** | **3,382.02** |
| V. | **Profit before Exceptional Items and Tax (III - IV)** | | **918.11** | **670.28** |
| VI. | **Exceptional items (Income) / Expense (Note 53)** | | 0.36 | 2.91 |
| VII. | **Profit Before Tax (V - VI)** | | **917.75** | **667.37** |
| VIII. | Tax expense | | | |
| | (1) Current tax | | 10.70 | 157.44 |
| | (2) Deferred tax | | 225.87 | 1.30 |
| IX. | **Profit for the year before share of profit of Joint Ventures & Associates (VII - VIII)** | | **681.19** | **508.63** |
| X | Add: Share of Profit of Joint Ventures & Associates | | 21.00 | 15.41 |
| XI | **Profit for the year (IX - X)** | | **702.19** | **524.04** |
| XII | **Other comprehensive income/(loss) for the year, net of tax** | 32 | | |
| | Items that will not be reclassified to profit or loss | | (2.82) | 8.21 |
| | Income tax relating to items that will not be reclassified to profit or loss | | (5.10) | (1.15) |
| XIII | **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **694.27** | **531.10** |
| XIV | Net Profit /(loss) attributable to | | | |
| | a/ Owner of the Company | | **699.82** | **523.00** |
| | b/ Non Controlling Interest | | **2.37** | **1.04** |
| XV | Total Comprehensive income /(loss) attributable to | | | |
| | a/ Owner of the Company | | **693.94** | **525.83** |
| | b/ Non Controlling Interest | | **0.33** | **5.27** |
| XVI | Earnings per equity share: | | | |
| | Basic | 33 | 19.86 | 14.84 |
| | Diluted | | 19.86 | 14.84 |

Material Accounting Policies 1

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Consolidated Statement of Changes in Equity

**for the year ended 31st March 2025**

(₹ in Crore)

## a Equity Share Capital

**For the year ended 31st March 2024**

| Balance at 1st April, 2023 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Equity Share Capital during the year | Balance at 31st March, 2024 |
|---|---|---|---|---|
| 35.24 | - | 35.24 | - | 35.24 |

**For the year ended 31st March 2025**

| Balance at 1st April, 2024 | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in Equity Share Capital during the year | Balance at 31st March, 2025 |
|---|---|---|---|---|
| 35.24 | - | 35.24 | - | 35.24 |

## b Other Equity

| | Reserves And Surplus | | | | | OCI | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of the foreign operations | Non controling Interest | Total other equity |
| Balance as of 1st April, 2023 | 4.05 | 194.03 | 0.81 | 20.97 | 3,131.04 | (5.98) | 29.92 | 100.24 | **3,475.08** |
| Other Comprehensive Income | | | | | | 2.80 | | 4.23 | **7.03** |
| For the year | | | | | | | 5.61 | | **5.61** |
| Profit for the year | | | | | 523.00 | | | 1.04 | **524.04** |
| Final Dividends | | | | | (52.85) | | | | **(52.85)** |
| **Balance as of 31st March, 2024** | **4.05** | **194.03** | **0.81** | **20.97** | **3,601.19** | **(3.18)** | **35.53** | **105.51** | **3,958.91** |

| | Reserves And Surplus | | | | | OCI | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital Redemption Reserve | General Reserve | Retained Earnings | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of the foreign operations | Non controling Interest | Total other equity |
| Balance as of 1st April, 2024 | 4.05 | 194.03 | 0.81 | 20.97 | 3,601.19 | (3.18) | 35.53 | 105.51 | **3,958.91** |
| Other Comprehensive Income | | | | | | (5.87) | | (2.04) | **(7.91)** |
| On account of business combination | 1,732.19 | | | | | | | | **1,732.19** |
| For the year | - | - | | | | | 6.89 | | **6.89** |
| Profit for the year | | | | | 699.82 | | | 2.37 | **702.19** |
| Final Dividends | | | | | (35.24) | | | | **(35.24)** |
| **Balance as of 31st March, 2025** | **1,736.24** | **194.03** | **0.81** | **20.97** | **4,265.77** | **(9.05)** | **42.42** | **105.84** | **6,357.03** |

The Accompanying Notes are Forming Integral Part of Financial Statements

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Consolidated Cash Flow Statement

**for the year ended 31st March 2025**

(₹ in Crore)

| | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|
| | **Audited** | |
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit before tax as per Profit & Loss Account** | 917.75 | 667.37 |
| **Adjustments to reconcile profit before tax to cash generated by operating activities** | | |
| Depreciation and amortization expense | 271.16 | 183.30 |
| Depreciation on right-to-use assets | 0.27 | - |
| Finance Costs | 218.20 | 128.41 |
| Interest on Lease Liabilities | 2.00 | - |
| Loss/(Profit) pertaining to scraping of assets | 0.06 | (0.14) |
| Unrealized Gain/Loss on foreign currency transaction | (1.17) | (1.54) |
| Exchange differences on translation of assets & liabilities | 6.87 | 5.59 |
| Net (Gain)/Loss on investments pertaining to Fair valuation | (3.41) | (67.91) |
| Interest Income | (100.29) | (83.09) |
| Dividend income | (5.26) | (2.41) |
| Amortization of Capital Subsidy | (0.05) | (0.10) |
| (Profit) / Loss on sale of investments | (22.22) | (13.72) |
| Allowance for credit losses on financial assets | (0.20) | (0.12) |
| Impairement loss on discarding of Assets | (0.36) | (2.89) |
| **Operating profit before working capital changes** | **1,283.35** | **812.75** |
| | | |
| **Changes in assets and liabilities** | | |
| Trade Receivables | (75.74) | 81.97 |
| Inventories | (200.75) | 197.76 |
| Trade Payables | 21.79 | 38.29 |
| Loans and advances and other assets | (156.15) | (262.73) |
| Liabilities and provisions | 45.63 | 26.96 |
| | **918.13** | **895.00** |
| Income Tax Paid | (32.43) | (152.52) |
| **NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES** | **885.70** | **742.48** |
| | | |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Investment in Property Plant & Equipment | (490.32) | (265.52) |
| Adjustment of retained earning due to merger | (1,783.98) | - |
| Sale of Property, Plant & Equipment | 0.60 | 0.42 |
| Investment made in Joint Ventures, MFs & Others | (107.67) | (158.16) |
| Investment in FDR (made)/liquidated | 113.29 | (299.42) |
| Investment liquidated in MFs & Others | 22.22 | 27.11 |
| Loan repaid by/(given to) related & others parties | 8.42 | 210.58 |
| Interest received | 100.29 | 59.24 |
| Dividend received | 5.26 | 2.41 |
| **NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES** | **(2,131.89)** | **(423.34)** |

# Consolidated Cash Flow Statement

**for the year ended 31st March 2025**

(₹ in Crore)

| | | Year Ended 31.03.2025 | Year Ended 31.03.2024 |
|---|---|---|---|
| | | Audited | |
| **C.** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | Proceeds from long term borrowings | 1,443.05 | - |
| | Repayment of long term borrowings | (159.51) | (4.77) |
| | Short term borrowings (net) | 173.85 | (35.77) |
| | Finance cost | (220.77) | (129.55) |
| | Dividend paid | (35.24) | (52.86) |
| | Payment of Lease Liabilities | (1.42) | - |
| | **NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES** | **1,199.96** | **(222.95)** |
| | **NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS** | **(46.23)** | **96.19** |
| | CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 104.05 | 7.86 |
| | **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **57.82** | **104.05** |
| | **Supplementary Information:** | | |
| | Restricted Cash Balance | **0.99** | **0.93** |

**Notes**

| | | | |
|---|---|---|---|
| (a) | Cash and cash equivalent include the following | | |
| | Cash on Hand | 0.35 | 0.36 |
| | Balances with banks | 57.47 | 103.69 |
| | | **57.82** | **104.05** |

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

| | As at 01.04.2024 | Cash Flow | | Non cash changes | | As at 31.03.2025 |
|---|---|---|---|---|---|---|
| | | Proceeds | Repayments | Fair value changes | Classification changes | |
| Long Term Borrowings | 1,058.27 | 1,443.05 | (159.51) | 0.12 | - | **2,341.93** |
| Short Term Borrowings | 307.97 | - | 173.85 | (0.97) | - | **480.85** |
| Lease Liabilities | - | - | (1.42) | 39.67 | - | **38.25** |

(c) Previous year figures have been regrouped/rearranged wherever necessary.

(d) Figures in brackets represent outflows.

As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

**SANJAY KUMAR DEWANGAN**
Partner
Membership No. 409524

For and on behalf of the Board

**K. K. SARDA**
Chairman
DIN: 00008170

**P. K. JAIN**
Wholetime Director & CFO
DIN: 00008379

**MANISH SETHI**
Company Secretary
ACS 18069

Raipur
Dated : May 24, 2025

# Material Accounting Policies and Notes to the Consolidated Financial Statements

**For financial year ended 31st March 2025**



## 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 as amended from time to time.

## 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, 2025. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The Consolidated Financial Statements have been prepared on the following basis

i) The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Ind AS 110 - Consolidated Financial Statements. The financial statements of the parent and its subsidiaries are combined on a line-by-line basis and intra group balances, intra group transactions and unrealized profits or losses are fully eliminated. Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

   The assets and liabilities of foreign subsidiaries are translated at year end exchange rates and all other items in Statement of Profit and Loss are translated at average annual rate. The resultant gains and losses are shown separately as Foreign Currency Translation Reserve under the head Other Equity in the consolidated financial statements.

   The carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary are eliminated.

ii) The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as 'Goodwill' being an asset in the consolidated financial statements. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head Other Equity in the consolidated financial statements.

iii) Investment in Associates and Joint Ventures have been accounted under the equity method as per Ind AS 28 - Investments in Joint Ventures

   Under the equity method, an investment in Associates and Joint Ventures are initially recognized at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognized in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

   Unrealized gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture.

iv) The Audited financial statements of the subsidiaries and the jointly controlled entities used in the consolidation are drawn up to the same reporting date as of the Holding Company i.e. up to 31st March, 2025. The financial statement of an associate has been audited up to 31st December 2024 and the period from 1st January to 31st March 2025 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.

# Material Accounting Policies and Notes to the Consolidated Financial Statements
**For financial year ended 31st March 2025**

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 material accounting policies

**i) Service Concession Arrangement**

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 C of IND AS 115. Such intangible asset is measured at cost less any accumulated amortization.

**ii) 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.

**iii)** Revenue on specific Hydro Power Project has been recognized based on the long-term Power Purchase Agreement (PPA) entered by the group for supply of its entire power to a state distribution utility. The PPA is governed by Tariff Regulations notified under the Electricity Act. The regulator has approved provisional tariff. The group has recognized revenue & regulated expenditure on its best assessment / understanding of regulations, provisions of PPA, representations, legal advice and after taking into effect of true-up of costs etc. The Pending approval of the final cost of the project and tariff which may result into upward/ downward revision of the revenue or regulated expenses, the effect of which will be given on Final approval of tariff petition so revenue from sale of power is accounted as per provisional tariff determined by the regulatory body.

**iv)** Depreciation on specific Hydro Power Project-Depreciation is calculated on cost of items of Property, Plant and Equipment less their residual value over the estimated useful life using the straight-line method, following the rates and methodology as notified under MYT Regulations for fixation of tariff. Where life of particular asset is less than useful life of the project, such assets have been fully depreciated in accordance with the provisions of MYT regulations.

**v)** Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the group will comply with the conditions associated with the grant. Grants that compensate the group for expenses incurred are recognized over the period in which the related costs are incurred and are deducted from the related expenses. Grants that compensate the group for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset.

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

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Note No. 2 : PROPERTY, PLANT & EQUIPMENT

₹ in Crore

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Transfer / Sale / Adjust-ment | As on 31.03.2025 | Up to 01.04.2024 | Depreci-ation for the year | Transfer /Adjust-ment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Freehold Land | 47.02 | 44.98 | - | 92.00 | - | - | - | - | 92.00 | 47.02 |
| Leasehold Land | 35.15 | 0.08 | - | 35.23 | 2.98 | 0.87 | - | 3.85 | 31.38 | 32.17 |
| Building | 459.39 | 311.24 | - | 770.63 | 123.02 | 37.04 | - | 160.06 | 610.57 | 336.37 |
| Plant & Machinery | 3,045.28 | 2,862.41 | 4.84 | 5,902.85 | 762.37 | 224.32 | 1.63 | 985.06 | 4,917.79 | 2,282.91 |
| Furniture, Fixture & Equip-ments | 17.35 | 6.14 | 0.02 | 23.47 | 11.70 | 2.26 | 0.01 | 13.95 | 9.52 | 5.65 |
| Vehicles | 21.85 | 6.37 | 2.27 | 25.95 | 10.57 | 4.26 | 1.68 | 13.15 | 12.80 | 11.28 |
| | **3,626.04** | **3,231.22** | **7.13** | **6,850.13** | **910.64** | **268.75** | **3.32** | **1,176.07** | **5,674.06** | **2,715.40** |
| Depreciation taken to Preoperative Expenses | | | | | | **0.54** | | | | |
| Net Depreciation during the year | | | | | | **268.21** | | | | |

**Ageing of capital work-in-progress is as below:**

As at 31st March 2025

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 393.70 | 153.95 | 48.48 | 16.42 | 612.55 |
| Project temporarly suspended | - | - | - | - | - |
| | **393.70** | **153.95** | **48.48** | **16.42** | **612.55** |

**Note:**

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

# Notes to Consolidated financial statements

For financial year ended 31st March 2025

## RIGHT-OF-USE-ASSETS

₹ in Crore

| | Gross Block | | | | Depreciation | | | Net Block | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Transfer / Sale / Adjust-ment | As on 31.03.2025 | Up to 01.04.2024 | Depreci-ation for the year | Transfer / Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Land | - | 37.67 | - | 37.67 | - | 0.27 | - | 0.27 | 37.40 | - |
| | **-** | **37.67** | **-** | **37.67** | **-** | **0.27** | **-** | **0.27** | **37.40** | **-** |

## INVESTMENT PROPERTY

| | Gross Block | | | | Depreciation | | | Net Block | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Transfer / Sale / Adjust-ment | As on 31.03.2025 | Up to 01.04.2024 | Depreci-ation for the year | Transfer / Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Freehold Land - IP | 34.31 | - | 1.56 | 32.75 | - | - | - | - | 32.75 | 34.31 |
| Building - IP | 4.22 | - | - | 4.22 | 0.52 | 0.09 | - | 0.61 | 3.61 | 3.70 |
| | **38.53** | **-** | **1.56** | **36.97** | **0.52** | **0.09** | **-** | **0.61** | **36.36** | **38.01** |

**Amount recognized in profit & loss for investment properties:**

| Particulars | 31.03.2025 |
|---|---|
| Rental Income (Included in non-operating income) | 0.17 |
| Other expenses related to investment Properties | 0.04 |
| Profit from Investment Properties before depreciation | 0.13 |
| Depreciation | 0.09 |
| Profit/(Loss) from Investment Properties | 0.04 |

**OTHER INTANGIBLE ASSETS**

₹ in Crore

| | Gross Block | | | | Depreciation | | | Net Block | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2024 | Addition during the year | Transfer / Sale / Adjustment | As on 31.03.2025 | Up to 01.04.2024 | Depreciation for the year | Transfer /Adjustment | As on 31.03.2025 | As on 31.03.2025 | As on 31.03.2024 |
| Computer Software | 2.40 | 0.09 | - | 2.49 | 1.95 | 0.17 | - | 2.12 | 0.37 | 0.45 |
| Minig Rights & Development | 40.11 | - | - | 40.11 | 4.45 | 1.43 | - | 5.88 | 34.23 | 35.66 |
| Rights to use land | 39.58 | - | - | 39.58 | 8.75 | 1.26 | - | 10.01 | 29.57 | 30.83 |
| | **82.09** | **0.09** | **-** | **82.18** | **15.15** | **2.86** | **-** | **18.01** | **64.17** | **66.94** |

**Ageing of Intangible assets under development**

**As at 31st March 2025**

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 7.54 | 0.36 | 0.04 | 0.58 | 8.52 |
| | **7.54** | **0.36** | **0.04** | **0.58** | **8.52** |

**Note:**

As at the balance sheet date, Intangible Assets under development are neither exceeded its estimated cost nor its estimated completion time line.

**Details of Property Plant & Equipment pledged against borrowings is presented in Note no.14 and 20.**

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Note No. 2 : PROPERTY, PLANT & EQUIPMENT (Previous Year)

₹ in Crore

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition/ Transfer during the year | Transfer / Sale / Adjust-ment | As on 31.03.2024 | Up to 01.04.2023 | Depreci-ation for the year | Transfer /Adjust-ment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Freehold Land | 29.03 | 17.99 | - | 47.02 | - | - | - | | 47.02 | 29.03 |
| Leasehold Land | 33.13 | 2.02 | - | 35.15 | 2.16 | 0.82 | - | 2.98 | 32.17 | 30.98 |
| Building | 406.44 | 52.95 | - | 459.39 | 102.95 | 18.66 | (1.41) | 123.02 | 336.37 | 303.49 |
| Plant & Machinery | 2,987.43 | 61.54 | 3.69 | 3,045.28 | 608.23 | 155.43 | 1.29 | 762.37 | 2,282.91 | 2,379.20 |
| Furniture, Fixture & Equip-ments | 15.02 | 2.39 | 0.06 | 17.35 | 10.10 | 1.62 | 0.02 | 11.70 | 5.65 | 4.92 |
| Vehicles | 17.80 | 4.74 | 0.69 | 21.85 | 7.21 | 3.83 | 0.47 | 10.57 | 11.28 | 10.60 |
| **Total** | **3,488.85** | **141.63** | **4.44** | **3,626.04** | **730.65** | **180.36** | **0.37** | **910.64** | **2,715.40** | **2,758.22** |
| Depreciation taken to Preoperative Expenses | | | | | | **0.00** | | | | |
| Net Depreciation during the year | | | | | | **180.36** | | | | |

**Ageing of capital work-in-progress is as below:**

As at 31st March 2024

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 177.49 | 50.47 | 18.83 | 2.92 | 249.71 |
| Project temporarly suspended | - | - | - | - | - |
| | **177.49** | **50.47** | **18.83** | **2.92** | **249.71** |

**Note:**

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

₹ in Crore

**INVESTMENT PROPERTY**

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition/ Transfer during the year | Transfer / Sale / Adjust-ment | As on 31.03.2024 | Up to 01.04.2023 | Depreci-ation for the year | Transfer / Adjustment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Freehold Land - IP | 34.37 | - | 0.06 | 34.31 | - | - | - | - | 34.31 | 34.37 |
| Building - IP | 13.73 | - | 9.51 | 4.22 | 1.73 | 0.09 | 1.30 | 0.52 | 3.70 | 12.00 |
| | **48.10** | **-** | **9.57** | **38.53** | **1.73** | **0.09** | **1.30** | **0.52** | **38.01** | **46.37** |

**Amount recognized in profit & loss for investment properties:**

| Particulars | 31.03.2024 |
|---|---|
| Rental Income (Included in non-operating income) | 0.13 |
| Other expenses related to investment Properties | 0.04 |
| Profit from Investment Properties before depreciation | 0.09 |
| Depreciation | 0.09 |
| Profit/(Loss) from Investment Properties | - |

**OTHER INTANGIBLE ASSETS**

| | Gross Block | | | | Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As on 01.04.2023 | Addition/ Transfer during the year | Transfer / Sale / Ad-justment | As on 31.03.2024 | Up to 01.04.2023 | Depreci-ation for the year | Transfer /Adjust-ment | As on 31.03.2024 | As on 31.03.2024 | As on 31.03.2023 |
| Computer Software | 2.40 | - | - | 2.40 | 1.77 | 0.17 | - | 1.95 | 0.45 | 0.62 |
| Minig Rights & Development | 40.11 | - | - | 40.11 | 3.03 | 1.42 | - | 4.45 | 35.66 | 37.08 |
| Rights to use land | 39.46 | 0.12 | - | 39.58 | 7.48 | 1.26 | - | 8.75 | 30.83 | 31.98 |
| | **81.97** | **0.12** | **-** | **82.09** | **12.28** | **2.85** | **-** | **15.15** | **66.94** | **69.68** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Ageing of Intangible assets under development**

**As at 31st March 2024**

(₹ in Crore)

| CWIP | Amount in CWIP for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1 to 2 years | 2 to 3 years | More than 3 years | |
| Projects in progress | 0.36 | 0.04 | 0.17 | 0.40 | 0.97 |
| | **0.36** | **0.04** | **0.17** | **0.40** | **0.97** |

**Note:**

As at the balance sheet date, intangible assets under development are neither exceeded its estimated cost nor its estinmated completion time line.

Details of Property Plant & Equipment pledged against borrowings is presented in Note no. 14 and 20.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

## Note 3 : NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| **(a)** | **Investment in Joint Ventures and Associates** | | |
| | Using equity method | 92.31 | 52.93 |
| | | **92.31** | **52.93** |
| **(b)** | **Investments** | | |
| | **Carried at FVTOCI** | | |
| | Investments in other companies in Unquoted Equity Instruments | 50.63 | 47.58 |
| | **Carried at FVTPL** | | |
| | Investment in Mutual Fund | 0.38 | 0.35 |
| | | **51.01** | **47.93** |

## Note 4: NON CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Security Deposits | | |
| Unsecured , considered good | 6.58 | 9.58 |
| Bank Deposit with more than 12 months maturity | 11.82 | 6.00 |
| Contracted assets | | |
| Unsecured , considered good | 27.74 | 30.90 |
| | **46.14** | **46.48** |

## Note 5 : OTHER NON-CURRENT ASSETS

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | **Capital Advances** | | |
| | Unsecured, considered good | 93.85 | 81.48 |
| (b) | **Advances other than capital advances** | | |
| | Unsecured, considered good | | |
| | Security deposits and others | 178.34 | 43.24 |
| | Pre Paid Expenses | 50.01 | 1.20 |
| | | **322.20** | **125.92** |

## Note 6 INVENTORIES

(valued at lower of cost and net realisable value)

| | | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|---|
| (a) | Raw Material | 466.23 | 264.50 |
| (b) | Finished / semi finished goods | 215.73 | 199.01 |
| (c) | Stock-in-Trade | 0.02 | 0.02 |
| (d) | Stores and spares | 117.02 | 54.38 |
| (e) | Project under Development | 9.78 | 10.48 |
| | | **808.78** | **528.39** |

**Note :** Details of inventories hypothecated against borrowings is presented in note 14 & 20.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

## NOTE 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Carried at FVTPL | | |
| (i) Investments in Equity Instruments in other Companies (Quoted) | 160.68 | 149.56 |
| (ii) Investments in Mutual Funds/Bonds, Preference shares and Debentures (quoted) | 285.56 | 239.37 |
| (iii) Investment in Commercial paper | - | 24.94 |
| (iv) Investments held for trading | 202.40 | 144.10 |
| | **648.64** | **557.97** |

## NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Trade Receivables** | | |
| Trade receivables considered good - Unsecured | 221.04 | 101.17 |
| Trade receivables which have significant increase in Credit Risk | 109.78 | 2.74 |
| Trade receivable - credit impaired | 0.63 | 0.89 |
| Less: Provision for trade receivables considered good which have significant credit risk and credit impaired | (110.41) | (3.63) |
| | **221.04** | **101.17** |

**Note :** Details of trade receivables hypothecated against borrowings is presented in note 14 & 20.

**Outstanding for following period for due of payment as on 31st March 2025**

| | Not Due | Less than 6 month | 6 Month to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables- considered good | 54.54 | 166.16 | 0.21 | 0.04 | 0.04 | 0.05 | 221.04 |
| Undisputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | 109.78 | 109.78 |
| Undisputed trade receivables- credit impaired | - | - | - | - | - | - | - |
| Disputed trade receivables- considered good | - | - | - | - | - | - - | |
| Disputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | - | 0.63 | 0.63 |
| | **54.54** | **166.16** | **0.21** | **0.04** | **0.04** | **110.46** | **331.45** |

**Outstanding for following period for due of payment as on 31st March 2024**

| | Not Due | Less than 6 month | 6 Month to 1 Year | 1 - 2 Years | 2 - 3 Years | More than 3 Years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed trade receivables- considered good | 71.72 | 29.19 | 0.03 | 0.15 | 0.08 | - | 101.17 |
| Undisputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | 0.18 | 2.69 | 2.87 |
| Undisputed trade receivables- credit impaired | - | - | - | - | - | 0.13 | 0.13 |
| Disputed trade receivables- considered good | - | - | - | - | - | - - | |
| Disputed trade receivables- which have significant increase in Credit Risk | - | - | - | - | - | - | - |
| Disputed trade receivables- credit impaired | - | - | - | - | 0.63 | - | 0.63 |
| | **71.72** | **29.19** | **0.03** | **0.15** | **0.89** | **2.82** | **104.80** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)



## Note 9 : CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Balances with banks | | |
| In current accounts | 11.52 | 27.88 |
| Deposits with Banks-Maturity for less than 3 months | 45.95 | 75.81 |
| Cash on hand | 0.35 | 0.36 |
| | **57.82** | **104.05** |

## NOTE 10 :CURRENT ASSETS - FINANCIAL ASSETS - BANK BALANCE OTHER THAN (III) ABOVE

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Fixed Deposits with Banks-Maturity for more than 3 months and less than 12 months | 549.42 | 662.71 |
| Unpaid dividend | 0.99 | 0.93 |
| | **550.41** | **663.64** |

## Note 11(a) : CURRENT ASSETS - FINANCIAL ASSETS - LOANS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **(a) Loans and advances to related parties** | | |
| Considered good - Unsecured | 303.03 | 375.80 |
| **(b) Other loans** | | |
| Considered good - Unsecured | | |
| (i) Loans to employees | 1.52 | 1.95 |
| (ii) Loans and advances to other parties | 173.60 | 109.25 |
| | **478.15** | **487.00** |

## Note 11 (b) : CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSET

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Unsecured, Considered good** | | |
| (i) Earnest money deposit | 3.85 | 1.94 |
| (ii) Claims & recoverables | 24.79 | 39.23 |
| | **28.64** | **41.17** |

## Note 12 : OTHER CURRENT ASSETS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Advances other than capital advances** | | |
| Unsecured, considered good | | |
| (i) Employee Advance | 0.30 | 0.22 |
| (ii) Advances to vendors | 305.92 | 96.53 |
| (iii) Advance royalty paid | 9.94 | 10.65 |
| (iv)Prepaid expenses | 7.98 | 8.79 |
| (v) Balances with revenue authorities | 16.78 | 20.37 |
| (vi) Others | 11.95 | 4.03 |
| | **352.87** | **140.59** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

## Note 13 (a) EQUITY SHARE CAPITAL

| | | As at 31st March 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|---|
| | | No. | ₹ in Crore | No. | ₹ in Crore |
| A | **Authorized** | | | | |
| | Equity Shares of ₹ 1/-each*# | 25,55,01,00,000 | 2,555.01 | 50,00,00,000 | 50.00 |
| | **Issued, Subscribed and fully paid up** | | | | |
| | Equity Shares of ₹ 1/-each | 35,23,81,270 | 35.24 | 35,23,81,270 | 35.24 |
| | | **35,23,81,270** | **35.24** | **35,23,81,270** | **35.24** |

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 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|
| | No of shares | ₹ in Crore | No of shares | ₹ in Crore |
| Number of shares outstanding at the beginning of the period (*) | 35,23,81,270 | 35.24 | 35,23,81,270 | 35.24 |
| Add: Increased during the year | - | - | - | - |
| Less: Deductions during the period | - | - | - | - |
| Number of shares outstanding at the end of the period | 35,23,81,270 | 35.24 | 35,23,81,270 | 35.24 |

(*) During the year 2023-24, w.e.f. 04.08.2023, the equity shares were split from face value of ₹ 10/- to face value of ₹ 1/-. There was no change in the issued capital.

(#) w.e.f. 03.09.2024, the authorized capital increased to ₹ 2555.01 Crore due to amalgamation of SKS Power Generation (Chhattisgarh) Limited. with the Company, pursuant to order of Hon'ble NCLT dated 13.08.2024.

C **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹1/- 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 2025 | | As at 31st March 2024 | |
|---|---|---|---|---|
| | Number of shares | % | Number of shares | % |
| Chhatisgarh Investments Limited | 13,75,86,862 | 39.04% | 13,59,74,930 | 38.59% |
| Sarda Agriculture and Properties Private Limited | 2,58,18,670 | 7.33% | 2,58,18,670 | 7.33% |

E In the period of five years immediately preceding 31st March 2025, the Group has not issued bonus shares, and has not allotted any equity shares consideration other than cash. However the Group has bought back 8,11,108 equity shares in FY 2022-23.

F There are no shares reserved for issue under options and there are no contracts or commitments for the sale of shares or disinvestment.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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

| S No. | Promoter Name | Share held by promoter at the end of the year | | % Change during the year |
|---|---|---|---|---|
| | | No of Shares | % of total shares | |
| 1 | Kamal Kishore Sarda | 56,26,084 | 1.60% | 0.04% |
| 2 | Kamal Kishore Rathi | 58,310 | 0.02% | 0.00% |
| 3 | Aditi Sarda | 88,730 | 0.03% | 0.00% |
| 4 | Shashi Rathi | 1,89,150 | 0.05% | 0.00% |
| 5 | Jugal Kishore Sarda (HUF) | 2,11,000 | 0.06% | 0.00% |
| 6 | Sonal Sarda | 5,52,160 | 0.16% | 0.00% |
| 7 | Aditya Ghanshyam Sarda | 11,28,400 | 0.32% | 0.00% |
| 8 | Raghav Sarda | 11,28,400 | 0.32% | 0.00% |
| 9 | CSP Investments (Chhattisgarh Investments Ltd, Sarda Agriculture and Properties Pvt. Ltd., Prachi Agriculture & Properties Pvt. Ltd.) | 14,39,370 | 0.41% | 0.00% |
| 10 | Vipula Sarda | 41,72,890 | 1.18% | 0.01% |
| 11 | Ghanshyam Sarda | 62,10,360 | 1.76% | 0.00% |
| 12 | Pankaj Sarda | 67,14,410 | 1.91% | 0.00% |
| 13 | Veenadevi Sarda | 70,23,500 | 1.99% | 0.00% |
| 14 | Manish J Sarda | 75,52,160 | 2.14% | 0.00% |
| 15 | Neeraj Sarda | 70,00,000 | 1.99% | 0.00% |
| 16 | Anant Sarda | 78,52,890 | 2.23% | 0.00% |
| 17 | Uma Sarda - Trustee to K K Sarda Family Trust | 97,15,450 | 2.76% | 0.00% |
| 18 | Uma Sarda | 1,20,72,210 | 3.43% | 0.00% |
| 19 | Prachi Agriculture and Properties Private Limited | 1,56,53,220 | 4.44% | 0.00% |
| 20 | Sarda Agriculture and Properties Private Limited | 2,58,18,670 | 7.33% | 0.00% |
| 21 | Chhattisgarh Investments Limited | 13,75,86,862 | 39.04% | 0.45% |
| | | **25,77,94,226** | **73.17%** | **0.50%** |

## Note 13 (b) OTHER EQUITY

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **OTHER EQUITY** | | |
| **Capital Reserve** | | |
| Balance as per last financial statements | 4.05 | 4.05 |
| Addition on account of business combination (Note 52) | 1,732.19 | - |
| | **1,736.24** | **4.05** |
| **Capital Redemption Reserve** | | |
| Balance as per last financial statements | 0.81 | 0.81 |
| | **0.81** | **0.81** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Securities Premium** | | |
| Balance as per last financial statements | 194.03 | 194.03 |
| | **194.03** | **194.03** |
| **General Reserve** | | |
| Balance as per last financial statements | 20.97 | 20.97 |
| | **20.97** | **20.97** |
| **Exchange differences on translating the financial statements of the foreign operations-** | | |
| Balance as per last financial statements | 35.53 | 29.92 |
| Addition / (deduction) during the year | 6.87 | 5.61 |
| | **42.40** | **35.53** |
| **Retained earnings** | | |
| Balance as per last financial statements | 3,601.19 | 3,131.05 |
| Add : Profit for the year | 699.82 | 523.00 |
| Equity Dividend | (35.24) | (52.86) |
| | **4,265.77** | **3,601.19** |
| **Other Comprehensive Income** | | |
| Balance as per last financial statements | (3.18) | (5.98) |
| Addition / (deduction) during the year | (5.87) | 2.80 |
| | **(9.05)** | **(3.18)** |
| | **6,251.19** | **3,853.40** |

(i) During amalgamation/business combination, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

(ii) Securities premium is used to record the premium received on issue of shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.

(iii) Capital redemption reserve has been created on account of buy back of equity shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.

(iv) General Reserve is available for payment of dividend to the shareholders as per the provisions of Companies Act, 2013.

(v) Other Comprehensive Income - The cumulative gains and losses arising from fair value changes of equity investment measured at fair value through other comprehensive income are recognized in fair value of financial assets. The balance of reserves represents such changes recognized net of amounts reclassified to retained earnings on disposal of such investments.

(vi) Exchange differences arising on transactions of the foreign operations are recognized in other comprehensive income as described in the accounting policy and accumulated in a separate reserve within equity . The cumulated amount is reclassified to profit and loss when the net investment is disposed off.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

## Note 14 : NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

| | Non-Current portion | | Current Maturities | |
|---|---|---|---|---|
| | As at 31st March 2025 | As at 31st March 2024 | As at 31st March 2025 | As at 31st March 2024 |
| **Term loans (Secured)** | | | | |
| from banks | | | | |
| Indian Rupee Loan | 1,588.29 | 221.90 | 231.68 | 195.32 |
| Buyer's Credit for Capital Goods | 9.91 | 6.10 | - | - |
| from others | | | | |
| Indian rupee loan from Financial institutions | 743.74 | 830.27 | - | - |
| | **2,341.94** | **1,058.27** | **231.68** | **195.32** |

**1) Nature of security :**

**Sarda Energy & Minerals Limited**

i Term Loans from Bank (For Siltara and Mandhar Complex) are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at Industrial Growth Centre, Siltara, Raipur subject to prior charge on current assets in favour of Working Capital Bankers and by way of joint equitable mortgage of immovable properties of the Company situated at Industrial Growth Centre, Siltara, Raipur and Urkura, Raipur.

ii Term Loans from Bank (For IPP Division, Binjkot, Raigarh) are secured by first pari-passu charge by way of hypothecation of entire movable assets of the Company situated at IPP Division, Binjkot, Raigarh and by way of joint equitable mortgage of immovable properties of the Company situated at IPP Division, Binjkot, Raigarh.

iii Term Loan from Banks (For Siltara and Mandhar Complex) are also secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda, Mr Manish Sarda & Mr. Pankaj Sarda.

iv Term Loan of ₹ 675 Crore from Axis Bank Limited (For IPP Division, Binjkot, Raigarh) is secured by unconditional and irrevocable personal guarantees of Mr. K. K. Sarda & Mr. Pankaj Sarda.

**Madhya Bharat Power Company Limited**

i. Term Loan is secured by pari passu charge by way of hypothecation of movable assets ,operating cash flows and current assets of the company and mortgage of immovable properties of plant situated in East Sikkim .

ii In addition , term loan is secured by unconditional and irrevocable personal guarantees of the Promoter Director, Mr. Kamal Kishore Sarda.The same will be reviewed by the lender and release after 2 years of satisfactory performance.

iii. The company shall maintain Debt Service Reserve Account (DSRA) equal to one quarter of interest and installments within 12 months from the date of refinancing and another quarter within 24 months from the date of take over respectively.The DSRA shall be reduced to one quarter on satisfactory operations.

iv Charge on TRA.

**Kalyani Coal Mining Private Limited**

Corporate Guarantee of ₹ 8.25 Crore (PY ₹ 8.25 Crore) of Holding Company Sarda Energy & Minerals Limited

**Bartunga Coal Private Limited**

Corporate Guarantee of ₹ 40.75 Crore (PY ₹ NIL) of Holding Company Sarda Energy & Minerals Limited.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Chhattisgarh Hydro Power LLP**

Term Loan is secured by (i) First Charge on entire fixed assets (except protected /revenue forest/ Government revunue Land ) , Buidling, Shed and Civil works, Plant and Machinery and other fixed assets of 24 MW Gullu SHP and 24.90 MW Rehar-1 SHP. (ii) First charge on entire movable assets (including all revenue receipts ,receivable and intangible Properties of Gullu SHP (iii) First Charge on project specific Escrow Account of 24.90 Rehar -I SHP. (iv) DSRA amounting to six month interest and instalment amount to be kept in the form of lien marked fixed deposit for 24MW Gullu SHP. (v) Personal Gurantee of Mr. Kamal Kishore Sarda and Mr. Pankaj Sarda for 24 MW Gullu & 24.90 MW Rehar-I SHP.

**Sarda Metal & Alloys Limited**

**For Indian Rupee Loan**

i Pari-Passu first charge by way of Equitable Mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village, pari-passu first charge on the moveable properties and fixed assets of the company and pari-passu second charge on the current assets of the company in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.

ii Pledge of 51% of Shares held in the company by the Holding Company Sarda Energy & Minerals Limited in favour of Axis Trustee Services Limited appointed as Security Trustee by the Lenders.

iii Corporate Guarantee of ₹ 9.01 Crore (PY ₹ 17.29 Crore) of Holding Company Sarda Energy & Minerals Limited.

**For Working Capital Term Loan**

Indian Rupee Term Loan to the extent of ₹ 56.97 Crores from HDFC Bank is secured by Central Govt Guarantee and pari passu second charge on all the assets of the company.

**For Indian Rupee Loans from HDFC Bank for takeover of IDFC First Bank Term Loan and financing of Furnace-III Project**

Pari passu first charge by way of equitable mortgage of immovable property of the company situated at APIIC Industrial Park at Kantakapalli Village, pari passu first charge on the movable fixed assets of the company, both present and future and pari passu second charge on the current assets of the company.Securities are created in favor of Axis Trustee Services Limited, appointed as sercurity trustee.

**For Indian Rupee Loans from Axis Bank**

Pari-passu first charge on all fixed asset except equitable mortgage of the immovable property of the company situated at APIIC Industrial Park at Kantakapalli village and pari-passu second charge on the current assets of the company in favour of Axis Bank Limited. The Charge is created on bilateral basis.

**2) Repayment terms :**

**Sarda Energy & Minerals Limited -**

i Rupee term loan of ₹ 91.35 crore (Present Outstanding ₹ 24.33 crore) from HDFC Bank is payable in 20 quarterly installments starting from June 2021.

ii Rupee term loan of ₹ 50 crore (Present Outstanding ₹ 10.50 crore) from Axis Bank Limited is payable in 16 equal quarterly installments starting from June 2022.

iii Rupee term loan of ₹ 700 crore (Present Outstanding ₹ 693 crore) from HDFC Bank is payable in 120 equal quarterly installments starting from November 2024.

iv Rupee term loan of ₹ 675 crore (Present Outstanding ₹ 675 crore) from Axis Bank Limited is payable on 19.05.2025 (Bullet repayment). Further this loan shall be convertible into term loan on agreed terms on the date of bullet repayment.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Madhya Bharat Power Company Limited**

**Indian Renewal Energy Development Agency Limited ( IREDA)**

i Existing term loan of ₹ 140 crore from IREDA is repayable in 60 quarterly installments comprising 40 installment of ₹ 1.54 Crore each and balance 20 installments of ₹ 3.93 crore each commencing from July 2022 and ending on 15.04.2035.

ii Company has withdrawn take over loan of ₹ 107.88 crore from IREDA , hence additional sanctioned term loan facility has been reduced to ₹ 688.85 crore.

iii The take over loan of ₹ 688.85 crore from IREDA is repayable in 53 quarterly structured installments.

iv The additional term loan of ₹ 200 crore from IREDA disbursed during the year is repayable in 60 quarterly structured installments.

**Chhattisgarh Hydro Power LLP**

i Term loan for 24MW Gullu SHP is repayable in Nine Structured Quaterly Installments.

ii Term loan for 24.90 MW Rehar-I SHP is repayable in 46 Equal Quarterly Instalments commencing after a moratorium of six Months from COD of the Project.

**Sarda Metal & Alloys Limited**

i Indian Rupee Term Loan sanctioned from Axis Bank of ₹.144.78 Crore is payable in 41 unequal quarterly instalments commencing from September 2017 and ending on September 2027.Out of the 41 unequal quarterly instalments, 31 & 27 instalments have been repaid up to 31.03.2025 & 31.03.2024 respectively.

ii Indian Rupee Term Loan sanctioned from Axis Bank of ₹.34.29 Crore is payable in 24 unequal quarterly instalments commencing from December 2025 and ending on September 2031.

iii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 40.14 Crore (TL-1) is payable in 26 unequal quarterly instalments commencing from September 2019 and ending on June 2026. Out of the 26 unequal quarterly instalments, 21 & 17 instalments have been repaid up to 31.03.2025 & 31.03.2024 respectively.

iv Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 11.50 Crore (TL-2) is payable in 22 equal quarterly instalments commencing from September 2019 and ending on September 2025. Out of the 22 unequal quarterly instalments, 20 & 16 instalments have been repaid up to 31.03.2025 & 31.03.2024 respectively.

v Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 56.97 Crore (TL-3) is payable in 48 equal monthly instalments commencing from May 2022 and ending on March 2026 with 2 instalments being repayable in March 2026. Out of 48 equal monthly instalments, 36 & 25 instalments have been repaid up to 31.03.2025 & 31.03.2024 respectively.

vi Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 78.85 Crore (TL-4) for the purpose of repayment of term loan of IDFC First Bank is payable in 20 unequal quarterly instalments commencing from March 2023 and ending on December 2027.Out of the 20 unequal quarterly instalments, 9 & 5 instalments have been repaid up to 31.03.2025 & 31.03.2024 respectively.

vii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 50 Crore (TL-5) for the purpose of financing the 1X36 MVA ferro alloys furnace project is payable in 32 unequal quarterly instalments commencing from June 2023 and ending on March 2031.Out of the 32 unequal quarterly instalments, 8 & 4 instalments have been repaid up to 31.03.2025 & 31.03.2024.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Note 15 : LEASE LIABILITIES

**A. Carrying amount of lease liabilities and the movement during the year:-**

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Balance at the beginning of the year** | - | - |
| Additions during the year | - | - |
| Acquired through business combination | 37.67 | - |
| Disposal/ Adjustment during the year | - | - |
| Accretion of Interest | 2.00 | - |
| Payment of Lease Liabilities | 1.42 | - |
| **Balance at the end of the year** | **38.25** | **-** |

**B. Breakup of lease liabilities:-**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Current | 4.57 | - |
| Non-current | 33.68 | - |
| **Balance at the end of the year** | **38.25** | **-** |

**C. Lease expenses recognized in Statement of Profit and Loss:-**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Depreciation expenses on ROU | 0.27 | - |
| Interest expense on lease liabilities | 2.00 | - |
| Expenses relating to short term leases and low-value assets (included in other expenses) | 3.02 | 1.68 |
| | **5.29** | **1.68** |

The effective interest rate for lease liabilities is 9% with balance maturity of 85 years.

The Company had total cash outflow for leases of ₹4.44 Crore in 31st March 2025 (₹1.68 Crore in 31st March 2024) on account of expenses. The Company had non cash addition to right of use assets and lease liabilities of ₹37.67 Crore on account of bussiness combination in the year 31st March 2025.

## Note 16: OTHER FINANCIAL LIABILITIES

| Particulars | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| **Security Deposit** | | |
| Deposits from Vendors | 23.50 | 4.14 |
| Power Obligation | 24.64 | 17.04 |
| | **48.14** | **21.18** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Note 17: PROVISIONS

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| (a) Provision for employee benefits | | |
| Provision for Leave encashment & Gratuity | 16.72 | 11.03 |
| (b) Others | | |
| Site restoration expenses | 237.39 | 27.67 |
| | **254.11** | **38.70** |

## Note 18 : DEFERRED TAX LIABILITIES / (ASSETS) (NET)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Deferred Tax Liabilities | | |
| Deferred tax liability / (assets) at the beginning of the year | 104.80 | 101.94 |
| Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation | (82.83) | 2.86 |
| **DEFERRED TAX LIABILITIES / ASSETS at the end of the year** | **21.97** | **104.80** |

## Note 19 : OTHER NON CURRENT LIABILITIES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Capital Subsidy | 4.20 | 4.30 |
| | **4.20** | **4.30** |

## Note 20 : NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Secured | | |
| From Banks (Secured) | | |
| Working capital loans (repayable on demand) | 112.14 | 47.15 |
| Working capital Buyers Credit loans | 111.22 | 65.50 |
| | **223.36** | **112.65** |
| Current maturities of long-term borrowings | 231.68 | 195.32 |
| Other loans and advances (Unsecured) | | |
| Loans from Other Parties | 1.27 | - |
| Loans from Related Parties | 24.55 | - |
| | **25.82** | **-** |
| | **480.86** | **307.97** |

**Terms of repayment & Security:**

**Sarda Energy & Minerals Limited-**

Working Capital loans from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable Plant & Machinery and second charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and land located at Urkura Raipur. These facilities are also secured by irrevocable personal guarantees of Mr. K.K.Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda. FDOD loans are secured by fixed deposits.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Sarda Metal & Alloys Limited**

i Working capital loans are payable on demand, Buyers Credit are payable on specific dates & no fixed date for repayment of loan from Holding Company.

ii Working Capital Facilities are secured by first pari-passu charge on stocks & book debt and second pari-passu charge on all present and future movable plant and machinery of the Company . These facilities are also secured by personal guarantee of Director, Mr.K.K.Sarda to the extent of ₹254.30 Crores.

iii These securities are created in favour of M/s Axis Trustee Services Limited, appointed as Security Trustee for working capital facilities by consortium of Banks comprising Bank of Baroda,RBL Bank Limited and Yes Bank Limited.

iv First pari-passu charge created by way of hypothecation of stock and book debts (both present and future)in favor of ICICI Bank Limited has been created on bilateral basis.

v Working Capital Facilities from HDFC Bank Limited are secured by first pari-passu charge on the current assets of the Company, both present and future and second pari-passu charge on the movable fixed assets of the Company both present and future and also second pari passu charge by way of equitable mortgage of the immovable propserty of the Company situated at APIIC Industrial Park at Kantakapalli village. securities are created in favour of M/s Axis Trustee Services Limited appointed as Security Trustee.

vi The weighted average rate of interest on Working Capital Loan is 6.53%.

## Note 21 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE PAYABLES

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Total outstanding dues of Micro Enterprises & Small Enterprises | 4.24 | 7.64 |
| Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises | 190.15 | 164.97 |
| | **194.39** | **172.61** |

**Trade Payable Ageing schedule for the year ended -**

| As at 31st March 2025 | Outstanding for following periods total from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not due / Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| MSME | 4.24 | | | | | 4.24 |
| Others | 144.16 | 43.30 | 0.91 | 0.54 | 0.79 | 189.70 |
| Disputed due - MSME | 0.20 | | | | | 0.20 |
| Disputed due - Others | | 0.02 | 0.06 | 0.17 | | 0.25 |
| | **148.60** | **43.32** | **0.97** | **0.71** | **0.79** | **194.39** |

| As at 31st March 2024 | Outstanding for following periods total from transaction date | | | | | |
|---|---|---|---|---|---|---|
| | Not due / Unbilled | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| MSME | 7.64 | - | - | - | - | 7.64 |
| Others | 112.23 | 50.88 | 0.49 | 0.85 | 0.52 | 164.97 |
| Disputed due - MSME | - | - | - | - | - | - |
| Disputed due - Others | | | | | | - |
| | **119.87** | **50.88** | **0.49** | **0.85** | **0.52** | **172.61** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Note 22: CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Current maturities of long term debt | | |
| (a) Interest accrued but not due on borrowings | 7.03 | 8.66 |
| (b) Deposits from customers | 33.61 | 9.67 |
| (c) Salary & reimbursements | 33.61 | 26.76 |
| (d) Unpaid Dividends | 0.99 | 0.93 |
| (e) Provision for expenses | 99.11 | 100.17 |
| | **174.35** | **146.19** |

## Note 23 : OTHER CURRENT LIABILITIES

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| (a) Others - | | |
| Indirect taxes payable | 2.41 | 15.66 |
| (b) Deposit from Employees | 2.59 | 2.20 |
| (c) Advances from customers | 20.23 | 24.53 |
| (d) TDS payables | 3.51 | 4.68 |
| (e) Provision for True up of annual revenue requirement & others | 139.20 | 91.05 |
| | **167.94** | **138.12** |

## Note 24 : PROVISIONS

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Provision for employee benefits | | |
| (a) Provision for gratuity | 3.72 | 0.86 |
| (b) Provision for Leave | 1.13 | 0.52 |
| Others | 0.01 | 0.75 |
| | **4.86** | **2.13** |

## 25 REVENUE FROM OPERATIONS

| | 2024-25 | 2023-24 |
|---|---|---|
| Sale of products | | |
| Sponge Iron | 302.95 | 277.53 |
| Ferro Alloys | 1,398.99 | 1,470.91 |
| Steel Billets | 122.60 | 132.09 |
| Wire Rod / HB Wire | 749.43 | 888.34 |
| Pellet | 467.26 | 479.41 |
| Power | 1,432.26 | 361.54 |
| Others | 131.52 | 213.13 |
| Other operating revenues | 37.84 | 45.18 |
| | **4,642.85** | **3,868.13** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| **Segment Revenue** | | |
| Steel | 1,964.33 | 2,071.99 |
| Ferro Alloys | 1,459.16 | 1,527.99 |
| Power | 1,884.03 | 896.62 |
| Unallocated | 24.83 | 28.12 |
| | **5,332.35** | **4,524.72** |
| Less: Inter segment revenue | 689.50 | 656.59 |
| | **4,642.85** | **3,868.13** |

| | 2024-25 | 2023-24 |
|---|---|---|
| Domestic | 3,792.01 | 2,956.95 |
| Exports | 850.84 | 911.18 |
| | **4,642.85** | **3,868.13** |

| | 2024-25 | 2023-24 |
|---|---|---|
| **Timing of revenue recognition** | | |
| At a point in time | 4,642.85 | 3,868.13 |
| | **4,642.85** | **3,868.13** |

| | 2024-25 | 2023-24 |
|---|---|---|
| **Assets and liabilities related to contracts with customers** | | |
| **Contract balances** | | |
| Contract assets (refer note 4) | 27.74 | 30.90 |
| Trade Receivables (refer note 8) | 221.04 | 101.17 |
| **Contract Liabilities** | | |
| Power obligation (refer note no 16) | 24.65 | 17.04 |
| Advance from customers (refer note no 23) | 20.23 | 24.53 |

Contract assets represent amount receivable towards late payment surcharge as per power purchase agreement and also amount receivable towards reimbursement of prepayment penalty as per applicable tariff regulations.

Trade receivables are non-interest bearing and are generally on terms of advance or credit period ranges of 1 to 90 days. In March 2025, there was a additional provision of ₹ 106.84 Crore (March 2024: ₹ 0.08 Crore) on account of the provision for expected credit losses on trade receivables.

Contract liabilities include long term power obligation i.e. the present value of revenue share payable to Govt.of Sikkim as per power purchase agreement.

Contract liabilities include short-term advances received from customers to deliver manufacturing goods.

Amount of revenue recognized from amounts included in the contract liabilities at the beginning of the year ₹ 17.28 Crore (previous year ₹ 25.56 Crore) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 26 OTHER INCOME

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Interest Income | 100.29 | 83.09 |
| Corporate Guarantee Commission | 0.41 | - |
| Dividend Income | | |
| From Others | 5.26 | 2.41 |
| Net gain on sale of investments | 22.22 | 13.72 |
| Fair value gain on Financial Instruments at FVTPL | 3.42 | 67.91 |
| Other non-operating income (net of expenses directly attributable to such income) | 40.80 | 17.04 |
| | **172.40** | **184.17** |

## 27 COST OF RAW MATERIAL CONSUMED

| | 2024-25 | 2023-24 |
|---|---|---|
| Iron Ore | 757.06 | 491.87 |
| Mn Ore | 519.44 | 513.12 |
| Coal | 1,046.90 | 1,042.61 |
| Scrap | 114.57 | 172.15 |
| Other Material | 57.43 | 67.88 |
| | **2,495.40** | **2,287.63** |

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

| | 2024-25 | 2023-24 |
|---|---|---|
| Inventories at the end of the year | | |
| Finished Goods / Semi-finished goods | 225.54 | 199.01 |
| Trading Goods | 0.02 | 0.02 |
| | **225.56** | **199.03** |
| Inventories at the beginning of the year | | |
| Finished Goods / Semi-finished goods | 199.01 | 259.64 |
| Trading Goods | 0.02 | 0.18 |
| | **199.03** | **259.82** |
| **(Increase)/Decrease in Inventories** | **(26.53)** | **60.79** |

## 29 EMPLOYEE BENEFITS EXPENSE

| | 2024-25 | 2023-24 |
|---|---|---|
| Salaries, incentives & Managerial Remuneration | 158.33 | 127.96 |
| Contributions to - | | |
| Provident fund | 8.62 | 6.89 |
| Superannuation scheme | 0.38 | 0.35 |
| Gratuity fund | 3.80 | 2.91 |
| Staff welfare expenses | 5.02 | 4.20 |
| | **176.15** | **142.31** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 30 FINANCE COSTS

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| Interest expense | 202.73 | 115.44 |
| Interest on Lease Liabilities | 2.00 | - |
| Other borrowing costs | 14.21 | 10.94 |
| Amortization of ancillary borrowing costs | 0.48 | 0.58 |
| Exchange difference to the extent considered as an adjustment to borrowing costs | 0.78 | 1.45 |
| | **220.20** | **128.41** |

## 31 OTHER EXPENSES

| | 2024-25 | 2023-24 |
|---|---|---|
| Stores & Spares Consumption | 146.08 | 129.38 |
| Power | 54.03 | 61.11 |
| Manufacturing Expenses | | |
| Plant process & services | 38.16 | 37.68 |
| Material handling Expenses | 74.87 | 51.31 |
| Other Manufacturing Expenses | 0.69 | 0.77 |
| Repairs & Maintenance | | |
| Building | 2.79 | 2.72 |
| Plant & Machinery | 38.60 | 16.86 |
| Others | 16.06 | 15.03 |
| Rent | 4.26 | 3.12 |
| Rates & Taxes | 45.99 | 23.05 |
| Insurance Charges | 14.43 | 10.25 |
| Travelling & Conveyance expenses | 12.84 | 10.09 |
| Legal & Professional Expenses | 41.71 | 11.86 |
| Free Power Obligation | 25.48 | 26.83 |
| Corporate Social Responsibility | 16.70 | 15.53 |
| Administrative and other Expenses | 38.52 | 24.91 |
| Cost of Sales of Real Estate Project | 2.84 | 5.35 |
| Selling Expenses | | |
| Carriage Outward/Transmission Charges | 80.51 | 78.00 |
| Selling Commission & Brokerage | 5.33 | 5.92 |
| Other Selling Expenses | 7.05 | 1.40 |
| Exchange differences (net) | (10.97) | (10.95) |
| Payment to Auditors | 0.74 | 0.70 |
| | **656.71** | **520.92** |

## 32 OTHER COMPREHENSIVE INCOME

| | 2024-25 | 2023-24 |
|---|---|---|
| **(i) Items that will not be reclassified to profit or loss** | | |
| Remeasurement of defined benefit plans | (1.75) | 9.71 |
| Share of other comprehensive income of associates & joint venture companies accounted for using Equity Method Accounting | (1.07) | (1.53) |
| Income Tax relating to above item | (5.10) | (1.15) |
| | **(7.92)** | **7.04** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 33 EARNINGS PER SHARE (EPS)

(₹ in Crore)

| | 2024-25 | 2023-24 |
|---|---|---|
| **Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)** | 699.82 | 523.00 |
| Nominal Value of Equity Shares (₹) | 1 | 1 |
| Weighted average number of Equity Shares used as denominator for calculating basic EPS (in Crore) | 35,23,81,270 | 35,23,81,270 |
| Weighted average number of Equity Shares used as denominator for calculating Diluted EPS (in Crore) | 35,23,81,270 | 35,23,81,270 |
| Basic | 19.86 | 14.84 |
| Diluted | 19.86 | 14.84 |

## 34. SEGMENT REPORTING

Segment information has been prepared in confirmity 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

| | 2024-25 | | | | 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | Steel | Ferro | Power | Total | Steel | Ferro | Power | Total |
| **Revenue** | | | | | | | | |
| Sales & other income | 1,767.80 | 1,441.26 | 1,408.96 | 4,618.02 | 1,969.09 | 1,504.76 | 366.17 | 3,840.02 |
| Inter segment sales | 196.53 | 17.90 | 475.07 | 689.50 | 102.90 | 23.23 | 530.45 | 656.58 |
| Others Unallocated | | | | 24.83 | | | | 28.12 |
| Less: Inter segment sales | 196.53 | 17.90 | 475.07 | 689.50 | 102.90 | 23.23 | 530.45 | 656.58 |
| **Total Revenue** | **1,767.80** | **1,441.26** | **1,408.96** | **4,642.85** | **1,969.09** | **1,504.76** | **366.17** | **3,868.14** |
| **Result** | | | | | | | | |
| Segment Result | 390.61 | 212.42 | 536.55 | 1,139.58 | 440.84 | 154.78 | 152.90 | 748.52 |
| Unallocated Expenses net off unallocated income | | | | (12.60) | | | | 36.31 |
| **Operating Profit** | | | | **1,126.98** | | | | **784.83** |
| Interest & Forex Fluctuation Loss (Net) | | | | (209.22) | | | | (117.46) |
| **Profit Before Tax & Extraordinary Item** | | | | **917.76** | | | | **667.37** |
| Add: Extra Ordinary Item | | | | - | | | | - |
| Provision for taxation | | | | | | | | |
| For Current Year | | | | (10.70) | | | | (157.44) |
| For Deferred Taxation | | | | (225.87) | | | | (1.30) |
| **Profit After Taxation** | | | | **681.19** | | | | **508.63** |
| **Other Information** | | | | | | | | |
| Segment Assets | 992.89 | 858.87 | 6,650.79 | 8,502.55 | 789.04 | 743.62 | 2,698.28 | 4,230.94 |
| Unallocated Assets | | | | 1,589.02 | | | | 1,737.89 |
| **Total Assets** | | | | **10,091.57** | | | | **5,968.83** |
| Segment Liabilities | 109.94 | 286.00 | 2,788.07 | 3,184.01 | 164.09 | 217.47 | 1,262.99 | 1,644.55 |
| Unallocated Liabilities | | | | 548.29 | | | | 363.15 |
| **Total Liabilities** | | | | **3,732.30** | | | | **2,007.70** |
| Capital Expenditure | 95.62 | 22.56 | 3,399.35 | 3,517.53 | 42.54 | 31.71 | 65.91 | 140.16 |
| Depreciation / Amortization | 42.52 | 24.49 | 196.97 | 263.98 | 39.06 | 24.69 | 111.37 | 175.12 |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | 2024-25 | | | | 2023-24 | | | |
|---|---|---|---|---|---|---|---|---|
| | Steel | Ferro | Power | Total | Steel | Ferro | Power | Total |
| Unallocated Capital Expenditure / Depreciation | | | | 77.74 | | | | 32.55 |

**Notes:**

1/ There is no customer having 10% of total revenue.

2/ No operating segments have been aggregated to from the above reportable operating segments.

## 35 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 (%) | |
|---|---|---|---|
| | | 2025 | 2024 |
| Sarda Energy & Minerals Hong Kong Limited | HongKong | 100.00 | 100.00 |
| Sarda Global Ventures Pte Limited | Singapore | 100.00 | 100.00 |
| Sarda Global Trading DMCC | Dubai | 100.00 | 100.00 |
| Sarda Metals & Alloys Limited | India | 100.00 | 100.00 |
| Sarda Energy Limited | India | 100.00 | 100.00 |
| Chhattisgarh Hydro Power LLP | India | 100.00 | 100.00 |
| Kalyani Coal Mining Private Limited | India | 100.00 | 100.00 |
| Parvatiya Power Limited | India | 51.00 | 51.00 |
| Madhya Bharat Power Corporation Limited | India | 84.65 | 84.65 |
| Shri Ram Electricity LLP | India | 51.00 | 51.00 |
| Sarda Hydro Power LLP | India | 60.00 | 60.00 |
| Natural Resources Energy Private Limited | India | 51.00 | 51.00 |

## 36. (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 (%) | |
|---|---|---|---|
| | | 2025 | 2024 |
| Raipur Infrastructure Company Limited | India | 33.33 | 33.33 |
| Madanpur South Coal Company Limited | India | 20.63 | 20.63 |
| Bartunga Coal Private Limited | India | 67.00 | – |

## (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 (%) | |
|---|---|---|---|
| | | 2025 | 2024 |
| PT. Tigadaya Minergy | Indonesia | 49.00 | 49.00 |
| Nirjhar Commodities Private Limited | India | 49.00 | 49.00 |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 37 RELATED PARTY DISCLOSURE

### (a) Names of related parties and description of relationship

| S.No. | Relationship | Name of Related Parties |
|---|---|---|
| 1 | Joint Ventures/Associates | Raipur Infrastructure Company Limited (Joint Venture)<br>Madanpur South Coal Company Limited (Joint Venture)<br>Bartunga Coal Private Limited (Joint Venture)<br>Nirjhar Commodities Private Limited (Associate of WOS)<br>P T Tigadaya Minergy (Associate of Overseas WOS) |
| 2 | Related Enterprises where significant influence exist | Chhatisgarh Investments Limited<br>Geschaft Formulae India Private Limited<br>Rishabh Mining and Transport Company Private Limited<br>Sarda Dairy & Food Products Limited<br>Earthstahl & Alloys Limited<br>Chhattisgarh Metaliks and Alloys Private Limited<br>Raipur Mega Food Park Private Limited<br>Continental Jweltech Mining Private Limited<br>Kashmirilal Constructions Private Limited<br>Vikas Associates<br>R. R. Sarda & Co |
| 3 | Key Management Personnel (KMP) | Mr. Kamal Kishore Sarda<br>Mr. Pankaj Sarda<br>Mr. Padam Kumar Jain (WTD & CFO)<br>Mr. Amal Kumar Debnath<br>Mr. Binoy Parikh<br>Mr. Rajeev Sharma<br>Ms. Tripti Sinha<br>Mr. Upendra Prasad Singh<br>Mr. Asit Kumar Basu (Till 31.03.2024)<br>Mr. Jitender Balakrishnan (Till 31.03.2024)<br>Mr. Rakesh Mehra (Till 31.03.2024)<br>Mr. Manish Sethi (CS) |
| 4 | Relatives of KMP's/ Promoter Group | Mr. Ghanshyam Sarda<br>Mr. Anant Sarda<br>Mr. Raghav Sarda<br>Mrs. Vipula Sarda<br>Mr. Vikas Agarwal |

**Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of business and on arm's length basis. For the year ended 31st March 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2024: ₹ NIL). This assessment is undertaken each financial year through

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

examining the financial position of the related party and the market in which the related party operates.

**b) Material Transactions with Related Parties**

| | Joint Ventures/ Associates | Related Enterprises where significant influence exists | Key Management Personnel | Relatives of Key Management Personnel |
|---|---|---|---|---|
| Remuneration | - | - | 11.38 | 0.66 |
| | - | - | (9.93) | (0.54) |
| Rent Paid | - | 2.57 | - | 0.16 |
| | - | (2.27) | - | (0.16) |
| Loans Given | - | 2,165.18 | - | - |
| | - | (1,747.58) | - | - |
| Loans Received Back | - | 2,265.79 | - | - |
| | - | (1,646.67) | - | - |
| Loans Taken | 25.17 | - | - | - |
| | - | - | - | - |
| Loan Repaid | 2.08 | - | - | - |
| | - | - | - | - |
| Dividend Income | - | - | - | - |
| | (4.58) | - | - | - |
| Interest Received | - | 30.26 | - | - |
| | - | (24.93) | - | - |
| Interest Paid | 1.61 | - | - | - |
| | - | - | - | - |
| Sale of Goods | - | 0.66 | - | - |
| | - | (0.26) | - | - |
| Purchase of Goods | - | 1.00 | - | - |
| | - | (0.68) | - | - |
| Services Received | - | 2.18 | - | - |
| | - | (2.41) | - | - |
| Services Rendered | 0.04 | - | - | - |
| | (0.03) | - | - | - |
| Corporate Guarantee Commission | 0.48 | - | - | - |
| | - | - | - | - |
| Corporate Guarantee Given | 40.75 | - | - | - |
| | - | - | - | - |
| Commission Paid | - | - | 16.59 | - |
| | - | - | (11.94) | - |
| Land Purchase | - | 1.20 | - | 15.02 |
| | - | (14.02) | - | - |
| Share Profir From Associates | 19.61 | - | - | - |
| | - | - | - | - |
| Investment made | 26.80 | 2.04 | - | - |
| | (19.88) | (7.16) | - | - |
| **Outstanding as on 31st March 2025** | | | | |
| Receivables | - | 5.70 | - | - |
| | - | (7.81) | - | (15.02) |
| Loans Receivable | - | 300.36 | - | - |
| | - | (372.36) | - | - |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ In Crore)

| | Joint Ventures/ Associates | Related Enterprises where significant influence exists | Key Management Personnel | Relatives of Key Management Personnel |
|---|---|---|---|---|
| Loans Payable | 24.55 | - | - | - |
| | - | - | - | - |
| Payables | - | 1.06 | 16.91 | 0.17 |
| | - | (0.39) | (12.42) | (0.03) |
| Guarantee Outstanding | - | - | - | - |
| | - | - | - | - |

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

Transactions and balances with subsidiaries are eliminated on consolidation.

## 38. INCOME TAX EXPENSE

i) Income tax recognized in profit or loss

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| **a) Current tax expense** | | |
| Current year | 10.82 | 157.44 |
| Adjustment for prior periods | (0.12) | - |
| **Deferred tax expense** | | |
| Origination and reversal of temporary differences | 225.87 | 1.30 |
| **Total income tax expense** | **236.57** | **158.74** |

ii) Income tax recognized in OCI

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| That will not be reclassified to profit or loss | (5.10) | (1.15) |
| **Total income tax expense relating to OCI items** | **(5.10)** | **(1.15)** |

**b) Reconciliation of tax expense and accounting profit**

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| Accounting profit before tax from continuing operations | 917.76 | 667.37 |
| **Accounting profit before tax** | **917.76** | **667.37** |
| **Expected Tax Rate** | **25.17%** | **25.17%** |
| Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%) | 230.98 | 167.96 |
| Adjustments in respect of current income tax of previous years | (0.12) | - |
| Exempted Income not considered for tax purpose | (7.36) | (4.40) |
| Expense Allowable for tax purpose | (82.73) | (76.24) |
| Expense not allowed for tax purpose | 61.59 | 35.94 |
| Deduction under Chapter VIA | (0.96) | (1.37) |
| Income not considered for tax purpose other than PGBP | 26.71 | 29.59 |
| Short Term Capital Loss Claimed | - | (0.18) |
| Utilization of previously unrecognized tax losses/unabsorbed depreciation on business combination | (206.02) | - |
| Utilization of previously unrecognized tax losses/unabsorbed depreciation | (7.07) | - |
| Effect Of Different Tax Rates | 5.10 | (2.33) |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| Effect of different overseas rates | (11.06) | 0.82 |
| Income Taxable at special rate of tax | 0.03 | 0.04 |
| Difference In Tax Due To MAT | 1.60 | 2.23 |
| Other temporary differences | 225.88 | 1.30 |
| Effective income tax rate | 25.78% | 22.98% |
| Tax Differences due to interest | - | 5.37 |
| Income tax reported before Adjustment | 236.57 | 153.36 |
| Income tax reported in the statement of profit and loss | 236.57 | 158.74 |
| | **236.57** | **158.74** |

**c) Reconciliation of deferred tax assets/ Liabilities**

Deferred tax relates to the following:

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| **Opening balance as at 1st April** | 104.80 | 101.94 |
| DTL/(DTA) due to accelerated depreciation for tax purposes | 11.44 | 4.06 |
| DTL/(DTA) due to expenses allowed on payment basis | 0.19 | (0.35) |
| DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation on business combination | 206.02 | - |
| DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation | 0.87 | - |
| DTL/(DTA)impact on indexation of land | 15.52 | (1.09) |
| DTL/(DTA) impact on net movement , Valuation & others | (0.88) | 0.24 |
| DTL/(DTA) impact on MAT credit adjusted | (3.04) | - |
| DTL/(DTA) on account of business combination | (312.95) | - |
| | **(82.83)** | **2.85** |
| **Closing balance as at 31st March** | **21.97** | **104.80** |

## 39. CONTINGENT LIABILITIES AND COMMITMENTS

**(A) Contingent Liabilities and Claims against the Company**

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| **Disputed Tax matters and claims** | | |
| (a) Excise Duty, Customs, Service Tax and Goods & Service Tax | 11.03 | 14.00 |
| (b) Sales Tax, VAT and Entry Tax | 15.94 | 19.00 |
| (C) Income Tax | 29.33 | 35.38 |
| **Others Taxes, claims and Litigations** | | |
| Levies-Relating to Energy Development Cess | 93.33 | 88.70 |
| Electricity Duty | 11.27 | 11.27 |
| Relinquishment Charges of 156 MW LTA for Kolam Power Plant | 23.16 | 120.36 |
| RPRO Obligation | 9.49 | 9.49 |
| Claims by suppliers, Government and other parties | 35.57 | 41.81 |
| | **229.12** | **340.01** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**



**(1) Disputed Tax matters and claims:**

**Sarda Energy & Minerals Limited**

Refer note no. 37 of Standalone financial statement.

**Sarda Metal & Alloys Limited**

(a) During the FY 2015-16, the Commercial Tax disallowed Input Tax credit of ₹ 3.39 Crore on equipment's of Power Plant and imposed Penalty of ₹ 0.85 Crore. The company has filed an appeal against the disallowance before the Commercial Tax Appellate Tribunal. Additionally, a writ petition seeking stay on recovery proceedings of penalty was filed with the Hon'ble High court of AP, which was granted.

(b) In the FY 2018-19, the Assistant Commissioner passed an order disallowing VAT input credit of ₹ 1.63 crore for FY 2014-15 to FY 2017-18 (up to June 2017). The Company has filed an appeal against the disallowance before the Commercial Tax Appellate Tribunal, which is currently pending. A writ petition has also been filed before the Hon'ble High Court of AP, which remains pending. Subsequently, in FY 2019-20, a penalty of ₹ 0.42 crore was imposed by the Assistant Commissioner. The Hon'ble High Court has granted a stay on the recovery of both demands.

(c) During the FY 2022-23, the Deputy Commissioner of Central Tax disallowed transitional input credit of ₹0.60 crore related to Education Cess and Secondary & Higher Education Cess. Additionally, a penalty of ₹0.60 crore was imposed for claiming such credit. The Company has filed a writ petition before the Hon'ble High Court of AP, which is currently pending.

(d) During the FY 2014-15, the Income Tax Department conducted a search operation under Section 132 of the Income Tax Act, 1961, covering the block period from AY 2009-10 to AY 2014-15. Pursuant to the assessment, a demand of ₹ 0.87 crore was raised for AY 2012-13 due to disallowance of expenditures and addition of forex gain. The Company has filed an appeal before the Commissioner of Income Tax (Appeals), which is currently pending.

(e) For Assessment Year 2015-16, an addition of ₹7.97 crore was made on account of discrepancies in stock, resulted in a demand of ₹0.88 crore after adjusting TDS and self-assessment tax. The Company filed an appeal with the Income Tax Appellate Tribunal (ITAT). Vide order dated 11.01.2024, the ITAT restored the matter to the office of CIT(A) with a direction to re-adjudicate the issue after providing a reasonable opportunity of being heard. The re-adjudication is currently pending with CIT(A).

(f) For Assessment year 2018-19,an addition of ₹ 20.61 Crore has been made on account of difference in arm's length price (ALP) related to specified domestic transactions of sale of power. The company has adopted Tariff prescribed by DISCOMs as the Transfer Price of Power for the Captive Consumption, whereas the Tax Authorities considered the average of the prices at which power is sold to independent third parties, which resulted in a demand of ₹ 6.45 Crore. The company has filed appeal with the Commissioner (Appeals) and also submitted an application for rectification of assessment order and granting stay of demand with income tax officer which are currently pending. However, in a similar case, the Hon'ble Supreme Court upheld that the tariff charged by DISCOMs shall be treated as the transfer price for power by eligible businesses.

**Sarda Energy Limited**

Demand for ₹ 0.25 Crore ( PY: ₹ 0.25 Crore ) has been raised for the Assessment Year 2014-15 & 2015-16 on account of partial disallowances of expenses by Assessing Office as per order passed under the Income Tax Act, 1961. The company has filed an appeal before Commissioner of Income Tax (Appeal) Raipur, the matter is currently pending.

**Madhya Bharat Power Corporation Limited**

The Assistant Commissioner of Customs, Kolkata has passed an order demanding custom duty of ₹ 8.15 Crore (PY: ₹ 8.15 Crore), denying concessional rate awarded for "Project Imports" to the company towards import of Electro Mechanical Equipments. However, the company has contested the demand and filed an appeal to Commissioner (Appeals) under section 128 of Customs Act, 1962 against the order, which is currently pending.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Chattisgarh Hydro Power LLP**

Demand for ₹ 3.15 Crore (PY: ₹ 3.15 Crore) has been raised by the Income Tax Department for disallowance of deduction claimed u/s 80IA for AY 2022-23. The company has contested the demand.

**Sarda Hydro Power LLP**

During the FY 2014-15, a search & survey operation was conducted in the premises of the Sarda Hydro Power Private Limited u/s 132 & 133A of the Income Tax Act 1961.The company had been converted to Sarda Hydro Power LLP on dated 05.03.2019 .After completion of assessment, Assessing Officer raised demand of ₹ 0.03 Crore realted to FY 2014-15, However, the company has contested the demand before CIT(Appeal). The Management doesn't forsee any liability at this stage.

**(2). Others Taxes, claims and Litigations:**

**Sarda Energy & Minerals Limited**

Refer note no. 37 of Standalone financial statement.

**Sarda Metal & Alloys Limited**

Demand of Electricity Duty of ₹11.26 Crore (P.Y: ₹ 11.26 Crore) has been raised for the period from January 2013 to March 2017 for sale of Electricity. The compnay has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.

The company has received a demand notice from Hon'ble APERC for ₹ 16.47 Crore towards failure to meet RPPO obligations for FY 2017-18 and FY 2018-19 , however an amount to the extent of ₹ 6.98 Crore has already been provided in books . The demand has been raised based on trajectory of RPPO % as prescribed for each year. However company has relied upon clarificatory orders dated 01.02.2019 and 01.10.2019 of the Ministry of Power (MOP) which states that the RPPO of the Captive Power Plants (CPPs) commissioned before 01.04.2016 shall be capped at the level as mandated by the state commissions for the year 2015-16. Accordingly, company has filed the Petition with the Hon'ble APERC for capping the RPPO obligation in accordance with the MOP's clarificatory orders and also allow carry forward of RPPO obligation for the FYs 2017-18 to FY 2022-23 to the subsequent 5 financial years commencing from 2024-25 to 2029-30.It is pertinent to mention that there are precedents where the obliagted entities have been permitted such carry forward of RPPO obligations, and various state commissions have also taken cognisance of MoP calrificatory orders and have capped the RPPO obligations of the CPPs commissioned prior to April 2016 at the level of RPPO obligation for FY 2015-16.

**Madhya Bharat Power Corporation Limited**

"(The Company has made relinquishment of long term open access for transfer of power from 96 MW Rongnichu HEP, East Sikkim under Bulk Power Transmission Agreement with POWERGRID in January 2019 as the plant could not be commissioned as per schedule committed to PGCIL. Due to non transmission of power from the power project, PGCIL's capacity remained stranded. Central Electricity Regulatory Commission (CERC) has issued Order dated 08.03.2019 in Petition No. 92/MP/2015 for determination of relinquishment charges. In pursuance of the said Order, PGCIL (CTU) has imposed a relinquishment charge of ₹ 21.83 crore on MBPCL for the stranded capacity vide its letter dated 27.12.2019. Similar relinquishment charges have been levied on many other IPPs as well. Against the above stated CERC Order, MBPCL along with Association of Power Producers (APP) and other entities have filed appeal to APTEL (Appellate Tribunal for Electricity) for review of CERC order. Subsequently , the company had re-applied for Open Accesss for transmission of power from 113 MW RHEP and Long Term Access has been granted to it w.e.f. 31st January 2021. as As such the period ( 12 years) for which the capacity of transmission line will remained stranded will get reduced and the liability calculated by PGCIL will get proportionally reduced. (even if the appeal before APTEL gets rejected).

**(B) Guarantees and Undertakings:**

(₹ In Crore)

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| (i) Guarantees issued by the Group's Banker | 659.29 | 571.00 |
| (ii) Corporate Guarantees/Undertakings issued to lenders of third parties | - | - |
| | **659.29** | **571.00** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**(C) Commitments** (₹ in Crore)

| | As at 31.03.2025 | As at 31.03.2024 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 87.85 | 233.74 |
| | **87.85** | **233.74** |

## 40. CONTINGENT ASSETS

**Sarda Energy & Minerals Limited**

(I) The Company has various pending insurance claims amounting ₹ 0.30 Crore (PY: ₹ 0.50 crore) against Machine Break Down (MBD).

(II) The Company has claimed refund of ₹ 6.30 Crore (PY: ₹ 6.30) Vikas Upkar and Paryavaran Upkar in respect of its coal mines at Gare Palma IV/7.

(III) IPP unit of company filed a claim of ₹ 13.57 Crore (PY: ₹ NIL) towards reimbursemet of taxes and duties arises from change in Law in persuant to directions passed by Central Electricity Regulatory Commission (CERC) in the matter of long-term Power Purchase Agreement entered into between M/s Powerica Limited and Solar Energy Corporation of India Limited.

(III) Other claims by the company not recognized as asset is ₹ 0.45 Crore (PY: ₹ 0.91 Crore)

**Madhya Bharat Power Corporation Limited**

(I) The Company had lodged a claim of approx. ₹ 6.59 crore with the Insurance Company for damage to the approach road caused by a flash flood in October 2021. Due to the pending assessment, the claim was not recoganized in the books in the previous year. However, the claim has been duly settled during the financial year 2024-25.

(II) The Company had initiated a claim of approx. ₹ 2.50 crore to the Insurance Company for damage to the Transmission Line Tower caused by a flash flood in October 2023. As the claim was under documentation and pending assessment, it was not recognized. The claim was later withdrawn during the financial year 2024-25.

## 41 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

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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

**Trade receivables**

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

**Loans and Advances**

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

**Cash and cash equivalents**

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ In Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Trade receivables | 221.04 | 101.17 |
| Loans | 478.15 | 533.48 |
| Bank, cash and cash equivalents | 608.24 | 767.69 |

**Impairment losses**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Trade receivables (measured under life time expected credit loss model) | | |
| Opening balance | 3.63 | 3.65 |
| Provided during the year | 106.78 | (0.02) |
| Reversal of provision | - | - |
| Unwinding of discount | - | - |
| Closing balance | **110.41** | **3.63** |

**Ageing analysis**

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Upto 3 months | 216.37 | 101.31 |
| 3-6 months | 4.33 | 0.49 |
| More than 6 months | 110.75 | 3.01 |
| | **331.45** | **104.81** |

*Gross trade receivables i.e. not including provision for doubtful debts/impairment.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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

### Liquidity risk

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

### Financing arrangements

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

(₹ In Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Term Loan - IDBI/ IREDA | - | 107.88 |
| Cash Credit facility | 156.61 | 204.22 |
| Current investments | 648.64 | 557.97 |

### 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 31 March 2025 | Less than 1 year | 1-5 years | More than 5 years | Total |
|---|---|---|---|---|
| Borrowings | 480.86 | 1,432.73 | 909.21 | **2,822.80** |
| Lease Liabilities | 4.57 | 14.97 | 333.27 | **352.81** |
| Trade payables | 191.91 | 2.47 | - | **194.38** |
| Security deposits | 33.61 | 23.50 | - | **57.11** |
| Other financial liabilities | 140.74 | 24.65 | - | **165.39** |
| | **851.69** | **1,498.32** | **1,242.48** | **3,592.49** |
| **As at 31 March 2024** | **Less than 1 year** | **1-5 years** | **More than 5 years** | **Total** |
| Borrowings | 307.97 | 556.06 | 502.21 | **1,366.24** |
| Lease liabilities | - | - | - | **-** |
| Trade payables | 172.64 | - | - | **172.64** |
| Security deposits | 18.14 | 17.04 | - | **35.18** |
| Other financial liabilities | 136.53 | - | - | **136.53** |
| | **635.28** | **573.10** | **502.21** | **1,710.59** |

### 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.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

**MARKET RISK**

**a) Interest rate risk exposure**

(₹ In Crore)

| | As at 31st March 2025 | As at 31st March 2024 |
|---|---|---|
| Variable rate borrowings | 2,822.79 | 1,249.57 |
| Fixed rate borrowings | 24.55 | 116.66 |

**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 | |
|---|---|---|
| | 2024-25 | 2023-24 |
| Interest rates - increase by 70 basis points | (18.82) | (5.48) |
| Interest rates - decrease by 70 basis points | 18.82 | 5.48 |

**CURRENCY RISK**

The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods in the respective currencies.

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

| | | Currency In Crore | |
|---|---|---|---|
| | Currency | 2024-25 | 2023-24 |
| Bank Loans | USD | (0.03) | - |
| Trade & Other Payables | USD | (0.13) | (0.43) |
| Trade & Other Payables | AED | (0.50) | (0.89) |
| Investment held for Trading | USD | 2.03 | 1.49 |
| Investment held for Trading | AED | 1.26 | 0.88 |
| Investment in associate | USD | 0.61 | 0.49 |
| Trade & Other Receivables | USD | 0.28 | 0.67 |
| Trade & Other Receivables | AED | 0.02 | 0.01 |
| Cash & Cash Equivalents | USD | 0.39 | 0.24 |
| Cash & Cash Equivalents | AED | 0.01 | 0.01 |

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

| | Impact on profit after tax | |
|---|---|---|
| | 2024-25 | 2023-24 |
| Foreign exchange rates - increase by 1% | 0.03 | 0.02 |
| Foreign exchange rates - decrease by 1% | (0.03) | (0.02) |

**PRICE RISK**

The entity is exposed to equity price risk, which arised out from FVTPL quoted equity shares & mutual funds and

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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 ₹ 12.40 Crore ( 2023-24: ₹ 10.76 Crore); an equal change in the opposite direction would have decreased profit and loss. For equity investments classified as at FVTOCI, the impact of a 2 % increase in the index at the reporting date on profit & loss would have been an increase of ₹ 1.01 Crore (2023-24): ₹ 0.95 Crore); an equal change in the opposite direction would have decreased profit and loss.

## 42 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 effcient mix of debt and equity funding thus achieving an optimal capital structure and cost of capital.

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

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

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

(₹ In Crore)

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| Total liabilities | 2,861.04 | 1,366.24 |
| Less : Cash and cash equivalent | 57.82 | 104.05 |
| **Net debt** | **2,803.22** | **1,262.19** |
| Total equity | 6,392.27 | 3,994.15 |
| **Net Debt to Equity ratio** | **0.44** | **0.32** |

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

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 43 FINANCIAL INSTRUMENTS

### A. Accounting classification and fair values

(₹ in Crore)

| | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| **31st March, 2025** | **FVTPL** | **FVTOCI** | **Amortized Cost*** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Bank, cash and cash equivalents | - | - | 608.24 | 608.24 | - | - | - | - |
| **Non-current investments** | | | | | | | | |
| Unquoted Equity Investments | - | 50.63 | 92.31 | 142.94 | - | 50.63 | - | 50.63 |
| Quoted Mutual Funds | 0.38 | - | - | 0.38 | 0.38 | - | - | 0.38 |
| **Current investments** | | | | | | | | |
| Quoted Investments | 446.24 | - | - | 446.24 | 446.24 | - | - | 446.24 |
| Investments held for trading | 202.41 | - | - | 202.41 | - | 202.41 | - | 202.41 |
| Loans & other financial assets | - | - | 552.92 | 552.92 | - | - | - | - |
| Trade receivables | - | - | 221.04 | 221.04 | - | - | - | - |
| | **649.03** | **50.63** | **1,474.51** | **2,174.17** | **446.62** | **253.04** | **-** | **699.66** |
| **Financial liabilities** | | | | | | | | |
| Long term borrowings | - | - | 2,341.94 | 2,341.94 | - | - | - | - |
| Short term borrowings | - | - | 480.86 | 480.86 | - | - | - | - |
| Lease Liabilities | - | - | 38.25 | 38.25 | - | - | - | - |
| Trade payables | - | - | 194.39 | 194.39 | - | - | - | - |
| Other financial liabilities | - | - | 222.50 | 222.50 | - | - | - | - |
| | - | - | **3,277.94** | **3,277.94** | **-** | **-** | **-** | **-** |

| | Carrying amount | | | | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| **31st March, 2024** | **FVTPL** | **FVTOCI** | **Amortized Cost*** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Bank, cash and cash equivalents | - | - | 767.69 | 767.69 | - | - | - | - |
| **Non-current investments** | | | | | | | | |
| Unquoted Equity Investments | - | 47.58 | 52.93 | 100.51 | - | 47.58 | - | 47.58 |
| Quoted Mutual Funds | 0.35 | - | - | 0.35 | 0.35 | - | - | 0.35 |
| **Current investments** | | | | | | | | |
| Quoted Investments | 413.87 | - | - | 413.87 | 413.87 | - | - | 413.87 |
| Investments held for trading | 144.10 | - | - | 144.10 | - | 144.10 | - | 144.10 |
| Loans & other financial assets | - | - | 574.65 | 574.65 | - | - | - | - |
| Trade receivables | - | - | 101.17 | 101.17 | - | - | - | - |
| | **558.32** | **47.58** | **1,496.44** | **2,102.34** | **414.22** | **191.68** | **-** | **605.90** |
| **Financial liabilities** | | | | | | | | |
| Long term borrowings | - | - | 1,058.27 | 1,058.27 | - | - | - | - |
| Short term borrowings | - | - | 307.97 | 307.97 | - | - | - | - |
| Trade payables | - | - | 172.61 | 172.61 | - | - | - | - |
| Other financial liabilities | - | - | 167.37 | 167.37 | - | - | - | - |
| | **-** | **-** | **1,706.22** | **1,706.22** | **-** | **-** | **-** | **-** |

* The carrying value and the fair value approximates.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**B. Measurement of fair values**

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**C. Valuation techniques**

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

1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.

2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

3) The fair values of the quoted instruments and mutual funds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

4) The fair values of the unquoted equity shares designated at FVTOCI has been estimated by using the most recent purchase price of such shares. (level 2).

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

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

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

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

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

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

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

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

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

## 52 BUSINESS COMBINATION

On August 21, 2024, the Group completed acquisition of SKS Power Generation (Chhattisgarh) Limited ('SKS Power') pursuant to the Resolution Plan ('RP') approved by the National Company Law Tribunal vide its order dated August 13, 2024, under Corporate Insolvency and Resolution Process ('CIRP') of the Insolvency and Bankruptcy Code, 2016 ('IBC'). Approval of our Resolution Plan is challanged by unsuccessful applicants in the hon'ble Supreme Court, following rejection of their appeal in the NCLAT.

With effect from August 21, 2024, being the Transfer Date, in terms of the Resolution Plan, the existing issued, subscribed and paid-up share capital of SKS Power stood cancelled fully, without requiring any further act or deed. Subsequent to the reconstitution of the Board of Directors, taking over management control and subscribing to the equity share capital, SKS Power became a wholly owned subsidiary of the Group (100% voting interest).

Further, pursuant to the resolution plan, the Group amalgamated the whole of the undertaking of SKS Power along with all the properties, assets, liabilities, permits, licenses, investments etc. with the Group as a going concern w.e.f. appointed date of September 1, 2024. The Group has taken over the assets and liabilities at their acquisition date fair values. No additional consideration has been paid on the amalgamation.

The business combination has been initially accounted for on a provisional basis under Ind AS 103 "Business Combination". During the quarter ended 31st March, 2025, the Group has finalised purchase price accounting (PPA) for the acquisition of SKS Power basis final fair valuation of assets and liabilities acquired, within one year from the date of acquisition as per Ind AS 103 "Business Combination". The Group has paid consideration of ₹ 1783.98 Crore against the acquisition and accounted for Capital Reserve of ₹ 1732.19 Crore after fair valuation of net idnetifiable assets due to the Business Combination.

The fair value of the identified assets acquired, and liabilities assumed as adjusted for measurement period adjustments as on the acquisition date are as follows:

(₹ in Crore)

| | Provisional fair value considered as on 30.09.2024 | Fair Value at acquisition date Accounted as on 31.03.2025 |
|---|---|---|
| **Non-Current Assets** | | |
| Property, Plant and Equipment | 3,062.84 | 3,063.72 |
| Capital Work-in-Progress | 5.82 | 12.47 |
| Right of Use Asset | 17.41 | 37.67 |
| Other Financial Assets | 3.61 | 3.21 |
| Deferred Tax Assets (Net) | 145.12 | 312.96 |
| Other Non-Current Assets | 48.83 | 76.30 |
| **Subtotal** | **3,283.63** | **3,506.33** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| | Provisional fair value considered as on 30.09.2024 | Fair Value at acquisition date Accounted as on 31.03.2025 |
|---|---|---|
| **Current Assets** | | |
| Inventories | 79.65 | 79.65 |
| Trade Receivables | 51.01 | 43.54 |
| Other Financial Assets | 8.86 | 9.19 |
| Other Current Assets | 131.78 | 131.57 |
| **Subtotal** | **271.30** | **263.95** |
| **Total Assets [A]** | **3,554.93** | **3,770.28** |
| **Non-Current Liabilities** | | |
| Lease Liabilities | 16.69 | 36.95 |
| Provisions | 5.20 | 215.97 |
| **Subtotal** | **21.89** | **252.92** |
| **Current Liabilities** | | |
| Lease Liabilities | 0.71 | 0.71 |
| Other Financial Liabilities | 74.09 | - |
| Provisions | 0.48 | 0.48 |
| **Subtotal** | **75.28** | **1.19** |
| **Total Liabilities [B]** | **97.17** | **254.11** |
| **Fair Value of Identifiable Net Assets [C=A-B]** | **3,457.76** | **3,516.17** |

As on acquisition date, the gross carrying amount of Trade Receivables and Other Financial Assets acquired was amounting to ₹ 55.94 Crore against which no additional provision had been considered since the fair value of acquired Receivables were equal to carrying value as on the date of acquisition.

Acquisition costs of ₹ 6.98 Crore related to SKS Power acquisition have been charged to statement of profit and loss under the head "Legal & Professional Expenses".

Since the date of acquisition, SKS Power has contributed ₹ 1,077.62 Crore to the group revenue and it is impracticable to determine the profit and loss contributed by SKS Power due to substantial inter-segment transactions taken place after the date of acquisition.

If the acquisition had taken place at the beginning of the period, management estimates that consolidated revenue of the combined entity would be ₹ 4,559.16 Crore and it is impracticable to determine the profit and loss of the combined entity due to substantial inter-segment transactions taken place after the date of acquisition. In determining these amounts, management has assumed that the fair vaue adjustments, that arose on the date of acquisition would have been same if the acquisition had occurred on 1st April 2024.

Due to business combination, the current year figures are not strictly comparable to those of the previous year.

**53** Exceptional items of ₹ 0.36 Crore (P.Y. ₹ 2.91 Crore), represents on account of damage to the Low-Pressure Pipeline in PPL due to landslide on 17.09.2023. The landslide was triggered due to continuous heavy rainfall and lead to collapse of slope beneath the pipeline.

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 54 DISTRIBUTION MADE AND PROPOSED

(₹ In Crore)

| | 31st March 2025 | 31st March 2024 |
|---|---|---|
| **Dividends on equity shares declared and paid:** | | |
| Final dividend paid during the year ended on 31st March 2025: ₹ 1.00 per share (31st March 2024: ₹ 1.50 per share) | 35.24 | 52.86 |
| **Interim dividends on Equity shares:** | | |
| Interim dividend for the FY 2025-24 : ₹ NIL per share declared and paid before the date of financial statements were approved for issue. (FY 2025-24 : ₹ NIL per share) | - | - |
| **Proposed dividends on Equity shares:** | | |
| Proposed dividend for the year ended on 31st March 2025: ₹ 1.50 per share (31st March 2024: ₹ 1.00 per share) | 52.86 | 35.24 |

**55.** Previous year figures have been regrouped/rearranged wherever necessary.

Signatures to Notes 1 to 55
As per our report of even date attached

**For SINGHI & CO.**
(ICAI FRN 302049E)
Chartered Accountants

For and on behalf of the Board

| | | | |
|---|---|---|---|
| **SANJAY KUMAR DEWANGAN** | **K. K. SARDA** | **P. K. JAIN** | **MANISH SETHI** |
| Partner | Chairman | Wholetime Director & CFO | Company Secretary |
| Membership No. 409524 | DIN: 00008170 | DIN: 00008379 | ACS 18069 |

Raipur
Dated : May 24, 2025

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate/ Joint Ventures.

(₹ in Crore)

| Name of the Enterprise | Net Assets i.e. total assets minus total liabilities | | Share in Profit and Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated other comprehensive income | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Sarda Energy & minerals Limited | 71.54 | 4572.77 | 82.43 | 578.85 | 29.49 | (2.34) | 83.04 | 576.51 |
| ***Subsidiary*** | | | | | | | | |
| ***Indian*** | | | | | | | | |
| SMAL - Sarda Metals & Alloys Limited | 6.29 | 401.88 | 0.90 | 6.33 | 3.96 | (0.31) | 0.87 | 6.01 |
| SEL - Sarda Energy Limited | 1.57 | 100.59 | 0.54 | 3.81 | - | - | 0.55 | 3.81 |
| CHPPL - Chhattisgarh Hydro Power LLP | 4.67 | 298.56 | 4.16 | 29.23 | 0.41 | (0.03) | 4.21 | 29.20 |
| MBPCL - Madhya Bharat Power Corporation Limited | 8.75 | 559.07 | 1.97 | 13.85 | (0.18) | 0.01 | 2.00 | 13.87 |
| PPL - Parvatiya Power Limited | 0.64 | 41.01 | (0.03) | (0.22) | 26.93 | (2.13) | (0.34) | (2.35) |
| SHPPL- Sarda Hydro Power LLP | 0.01 | 0.45 | (0.00) | (0.01) | - | - | (0.00) | (0.01) |
| SRE LLP - Shri Ram Electricity LLP | 0.04 | 2.44 | 0.01 | 0.10 | - | - | 0.01 | 0.10 |
| NREPL- Natural Resources Energy Private Limited | (0.01) | (0.91) | (0.00) | (0.02) | - | - | (0.00) | (0.02) |
| Kalyani-Kalyani Coal Mining Private Limited | 0.41 | 26.00 | 0.07 | 0.51 | - | - | 0.07 | 0.51 |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

(₹ in Crore)

| 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 |
| **Foreign** | | | | | | | | |
| SEMHKL - Sarda Energy & Minerals Hongkong Limited | 3.53 | 226.14 | 3.12 | 21.93 | - | - | 3.16 | 21.93 |
| SGV - Sarda Global Venture Pte. Limited | 0.63 | 40.84 | 2.34 | 16.43 | - | - | 2.37 | 16.43 |
| SGT-Sarda Global Trading DMCC | 0.27 | 17.59 | 1.15 | 8.02 | 0.13 | (0.01) | 1.14 | 8.01 |
| **Joint Venture-Indian** | | | | | | | | |
| RICL- Raipur Infrastructure Company Limited | - | - | 0.05 | 0.34 | (0.12) | 0.01 | 0.05 | 0.35 |
| MSCCL- Madanpur South Coal Company Limited | - | - | 0.01 | 0.07 | 0.00 | 0.00 | 0.01 | 0.07 |
| BCPL - Bartunga Coal Private Limited | - | - | 0.14 | 0.99 | 0.00 | 0.00 | 0.14 | 0.99 |
| **Associates - Indian** | | | | | | | | |
| Nirjhar Commodities Private Limited | - | - | (0.00) | (0.00) | 0.00 | 0.00 | (0.00) | (0.00) |
| **Associates - Foreign** | | | | | | | | |
| PT. Tagadaya Minergy | - | - | 2.79 | 19.61 | 13.66 | (1.08) | 2.67 | 18.53 |
| **Minority Interest in all subsidiaries** | 1.66 | 105.84 | 0.34 | 2.37 | 25.72 | (2.04) | 0.05 | 0.33 |
| | **100.00** | **6392.27** | **100.00** | **702.19** | **100.00** | **(7.92)** | **100.00** | **694.27** |

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

## 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

### Summary of Financial Information of Subsidiary Companies As on 31.03.2025

(₹ in Crore)

| S.No. | Particulars/Name of the Subsidiary Company | SEMHKL | SGV | SGT | SMAL | CHP LLP | PPL | MBPCL | SEL | SRE LLP | SHPLLP | KCMPL | NREPL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Hongkong | Singapore | Dubai | India | India | India | India | India | India | India | India | India |
| 1 | Financial year of the Subsidiary Company/ LLP ended on | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 |
| 2 | Date from which it became Subsidiary Company/LLP | 17th September 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 September 2010 | 2nd May 2023 | 10th February 2015 |
| 3 | Capital | 0.56 | 28.30 | 10.99 | 21.02 | 298.55 | 1.54 | 243.44 | 0.72 | 2.04 | 0.51 | 24.80 | 0.01 |
| 4 | Reserves & Surplus | 225.59 | 12.54 | 6.59 | 380.86 | 0.02 | 39.47 | 315.63 | 99.88 | 0.40 | (0.06) | 1.20 | (0.92) |
| 5 | Total Assets | 227.09 | 52.36 | 29.13 | 904.89 | 528.10 | 90.59 | 1,591.05 | 157.49 | 3.10 | 5.15 | 26.19 | 3.11 |
| 6 | Total Equity | 226.14 | 40.84 | 17.59 | 401.88 | 298.56 | 41.01 | 559.07 | 100.59 | 2.44 | 0.45 | 26.00 | (0.91) |
| 7 | Investments | 173.20 | - | 29.21 | - | - | 49.19 | 91.95 | 140.59 | - | - | - | - |
| 8 | Turnover | 25.16 | 16.88 | 10.07 | 910.95 | 49.21 | 7.93 | 273.06 | 18.49 | 0.28 | - | 2.02 | 0.02 |
| 9 | Profit before Taxation | 23.81 | 36.04 | 8.72 | 18.00 | 30.52 | (0.34) | 16.37 | 3.83 | 0.26 | (0.02) | 0.68 | (0.04) |
| 10 | Provision for Taxation | 187.98 | - | 0.70 | 11.67 | 1.29 | 0.08 | - | 0.03 | 0.07 | - | 0.17 | (0.01) |
| 11 | Profit After Taxation | 21.93 | 36.04 | 8.02 | 6.33 | 29.23 | (0.42) | 16.37 | 3.80 | 0.19 | (0.02) | 0.51 | (0.03) |
| 12 | Proposed Dividend | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | % of Shareholding | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 51.00% | 84.65% | 100.00% | 51.00% | 60.00% | 100.00% | 51.00% |
| 14 | Whether commenced operation | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 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 31.03.2025, i.e. 1US$ = ₹ 85.48 [SGV and SEMHKL] and 1AED = ₹ 23.27 [SGT]

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**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 SEL - Sarda Energy Limited

6 CHP LLP - Chhattisgarh Hydro Power LLP

7 MBPCL - Madhya Bharat Power Corporation Limited

8 PPL - Parvatiya Power Limited

9 SHP LLP - Sarda Hydro Power LLP

10 SRE LLP - Shri Ram Electricity LLP

11 KCMPL - Kalyani Coal Mining Private Limited

12 NREPL - Natural Resources Energy Private Limited

# Notes to Consolidated financial statements

**For financial year ended 31st March 2025**

**Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part B of Companies (Accounts) Rules, 2014 in respect of the Associates and Joint ventures**

**Summary of Financial Information of Associates As on 31.03.2025**

(₹ in Crore)

| S.No. | Particulars/Name of the Associates | PT. Tigadaya Minergy, Indonesia | Nirjhar Commodities Private Limited, India |
|---|---|---|---|
| 1 | Financial year of the Associate Company/LLP ended on | 31st March, 2025 | 31st March, 2025 |
| 2 | Share of associates held by the company on the year end | | |
| | No. | 52,733 | 4,900 |
| | Amount of Investment | 52.27 | 0.04 |
| | Extend of Holding % | 49.00% | 49.00% |
| 3 | Networth | 43.38 | (0.38) |
| 4 | Profit/(Loss) for the year | | |
| | i. Considered in Consolidation | 19.61 | (0.00) |
| | ii. Not Considered in Consolidation | - | - |
| 5 | Whether commenced operation | Yes | Yes |

**Statement pursuant to section 129(3) of the Companies Act, 2013 read with rule 5 part B of Companies (Accounts) Rules, 2014 in respect of the Subsidiary Companies / associates/ Joint venture**

**Summary of Financial Information of Joint Ventures As on 31.03.2025**

| S.No. | Particulars/Name of the Joint Ventures | BCPL India | RICL India | MSCCL India |
|---|---|---|---|---|
| 1 | Financial year of the Joint Venture Company/LLP ended on | 31st March, 2025 | 31st March, 2025 | 31st March, 2025 |
| 2 | Share of Joint Ventrues held by the company on the year end | | | |
| | No. | 2,68,00,000 | 1,30,800 | 1,30,742 |
| | Amount of Investment | 27.79 | 6.50 | 5.71 |
| | Extend of Holding % | 67.00% | 33.33% | 20.63% |
| 3 | Networth | 41.48 | 19.51 | 5.98 |
| 4 | Profit/(Loss) for the year | | | |
| | i. Considered in Consolidation | 0.99 | 0.35 | 0.07 |
| | ii. Not Considered in Consolidation | - | - | - |
| 5 | Whether commenced operation | No | Yes | No |

**Notes :**

1 RICL- Raipur Infrastructure Company Limited

2 MSCCL- Madanpur South Coal Company Limited

3 BCPL- Bartunga Coal Private Limited

For and on behalf of the Board

| K. K. SARDA | P. K. JAIN | MANISH SETHI |
|---|---|---|
| Chairman | Wholetime Director & CFO | Company Secretary |
| DIN: 00008170 | DIN: 00008379 | ACS 18069 |

# Notes

**Sarda Energy & Minerals Limited**

**www.seml.co.in**

Creative consultants MANJARI ENTERPRISES (print@manjari.net)