

Built To Scale



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About the report

This Integrated 53rd Annual Report from Sarda Energy & Minerals Limited (SEML) underscores the virtues of the integrated reporting framework, highlighting its forward-looking, comprehensive approach, objectives, strategies, and initiatives across sustainability realms for the financial year 2025-26. This report serves as a conduit to enhance accountability, stewardship and trust, capitalising on the transformative potential of technology to improve information dissemination and transparency within the contemporary business landscape.



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, 2025, to March 31, 2026.

REPORTING PRINCIPLE

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

TARGET AUDIENCE

The target audience for this Report includes a range of stakeholders. 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 required 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 factors could cause actual results to differ materially.

This Report uses original photographs, representational images and certain AI-generated or enhanced visuals to support its narrative. Unless specifically identified as actual, such visuals are illustrative and should not be considered representations of the Company's actual facilities, assets, employees or operations. Their use is limited to presentation and does not affect the accuracy or reliability of the financial and non-financial information disclosed in this Report.

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), M/s. S. N. & Co. (Cost Auditor) and M/s. A P A S & Co. (Internal 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.

Today, scale is about more than size.

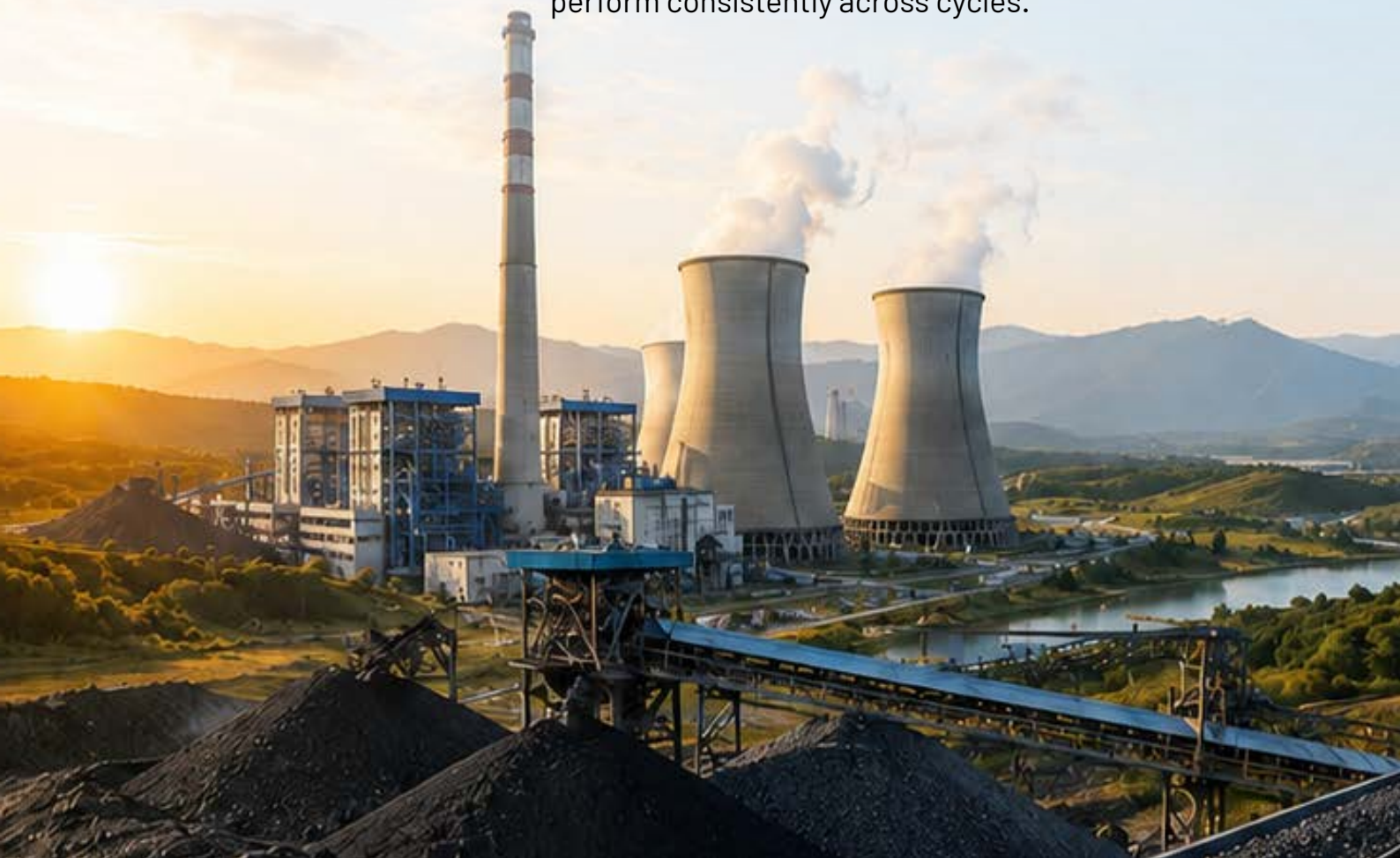
It is about building businesses that can grow without losing balance, discipline or resilience.

Today, integration matters more than expansion alone.

Power, resources and manufacturing create greater value when they work together rather than as separate businesses.

Today, growth must be built to endure.

Capacity can create opportunity. But long-term value comes from resource security, operational discipline, financial strength and the ability to perform consistently across cycles.



At SEML, we have spent the past several years reshaping the business around these principles.

What began as a metals-led enterprise has steadily evolved into a broader and more balanced organisation, where energy has emerged as a major earnings contributor, mining is developing into a business of strategic and commercial importance and manufacturing continues to draw strength from deeper access to power and raw materials.

This evolution has not been driven by scale for its own sake. It has been built through a series of deliberate choices: strengthening existing assets before adding new ones, securing resources before expanding downstream capacity and maintaining financial discipline while investing for the future.

FY 2025-26 marked another important step in this journey. Energy capacity has expanded nearly five-fold over the past five years. Mining capacity is being progressively strengthened through a growing portfolio of coal assets. The metals business continues to record strong operational performance while benefiting from greater integration across the value chain. At the same time, a significantly stronger balance sheet provides the flexibility to pursue the next phase of growth with confidence.

What gives us confidence is not simply the scale we have created, but the foundation beneath it.

This is Built to Scale.



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
ICICI Bank Limited
RBL Bank Limited
State Bank of India
YES Bank Limited



REGISTERED OFFICE

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

WORKS**Raipur**

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

Raigarh

Kharsia, Vill Badejampali
Binjot, 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 - 530 013
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.) - 400 093
Phone: +91-22-62638200
Email: investor@bigshareonline.com





5

**messages of this
Annual Report**

1

Energy has reshaped the quality of our earnings

The growing scale of our energy portfolio has transformed the composition and resilience of the business. Energy is now the largest contributor to consolidated earnings, supported by thermal power, hydropower and the progressive expansion of renewable energy capabilities.

2

Mining is emerging as a business in its own right

Our mineral resources are increasingly extending beyond their traditional role of supporting downstream operations. With existing mines scaling up and additional assets progressing through different stages of development, mining is emerging as an independent source of revenue and profitability while further strengthening resource security across the business.

3

Integration is strengthening manufacturing

Our metals business continues to draw upon decades of operating experience, supported by deeper access to captive energy and raw materials. Record production across several product categories during the year reflects the operating strength, efficiency and resilience created by this connected model.

4

Financial strength is enabling the next phase

Strong earnings, healthy cash generation and lower net debt have reinforced our financial foundation. This gives us greater flexibility to pursue planned investments, build new capabilities and support long-term growth while maintaining prudent leverage and financial discipline.

5

The next phase is already taking shape

Our growth roadmap encompasses the expansion of thermal power, development of additional coal assets, enhancement of pellet capacity and further growth across hydropower and solar energy. These investments are being complemented by continued improvements in processes, productivity and operating efficiency, creating a stronger platform for sustainable growth.



About Sarda Energy & Minerals Limited

OUR RICH BACKGROUND

Incorporated in 1973, Sarda Energy & Minerals Limited is the flagship company of the Sarda Group. Under the leadership of Mr. Kamal Kishore Sarda, the Company has grown over five decades from a metals producer into an integrated energy, mining and metals enterprise, guided by a professional Board and an experienced leadership team.

OUR BUSINESS PORTFOLIO

SEML and its subsidiaries, operates across three principal businesses. Its energy portfolio comprises thermal, hydropower and solar; its mining portfolio covers coal and iron ore; and its metals business spans iron ore pellets, sponge iron, billets, wire rods, H.B. wire and ferro alloys, supported by value-added products including eco-bricks and mineral wool.

OUR WORKFORCE

As on 31st March, 2026, the Company had 1,576 employees. Its people base combines technical, operational and managerial capabilities across power generation, mining, manufacturing and supporting functions.

OUR OPERATIONAL FOOTPRINT

SEML and its subsidiaries have operations and projects across Chhattisgarh, Andhra Pradesh, Sikkim, Uttarakhand, Madhya Pradesh and other resource locations, supported by an international mining presence in Indonesia. Its principal manufacturing and power facilities are located in and around Raipur, Raigarh and Vizianagaram.

OUR INTEGRATED STRENGTHS

The Company combines access to critical raw materials, power generation and downstream manufacturing within a connected value chain. Captive coal and iron ore, power availability and manufacturing capabilities provide greater control over key inputs and support operating efficiency across businesses.

OUR ENVIRONMENTAL COMMITMENT

SEML continues to strengthen resource efficiency through hydropower, solar power, waste heat recovery, coal beneficiation and productive utilisation of industrial by-products. Eco-bricks and mineral wool are examples of initiatives that convert process waste into usable products.

OUR CREDIT PROFILE

The Company maintains a strong credit profile, with a CRISIL AA- / Positive long-term rating and CRISIL A1+ short-term rating, reflecting its sound financial position and prudent approach to capital management.

OUR MARKET PRESENCE

SEML is listed on both the BSE Limited and the National Stock Exchange of India Limited. The Company serves domestic and international markets and is recognised as a Two-Star Export House by the Government of India.

OUR QUALITY AND STANDARDS

The Company's key manufacturing facilities are certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, covering quality, environmental management and occupational health and safety. Process automation, digital controls and structured quality assurance systems support consistency across operations.



OUR SCORECARD



Operational Performance

8,26,293 MT

Highest-ever iron ore pellet production

6,122 Mn kWh

Total power generation during FY2025-26



Financial Performance

₹2,025 Crore

EBITDA, up 44%

₹215 Crore

Net debt, reduced by over 85%



Environmental Progress

3,801 Tonnes

Mineral wool produced from industrial waste

12

Diesel loaders replaced with electric loaders



People

1,576

Employees as on 31st March, 2026



CSR Impact

10,265

Patients reached through Mobile Medical Van services

8,144

Beneficiaries covered through eye-care initiatives



Governance

200%

Dividend recommended, highest in Company's history

0

Material weaknesses reported in internal financial controls



Five decades. One direction.

Sarda Energy & Minerals Limited has grown across five decades from a single steel unit into an integrated energy, mining and metals enterprise. Each phase built on the one before it: capacity added, resources secured, and earnings progressively diversified away from commodity cycles. The timeline below traces the decisions that shaped that transformation, and the year in which the energy business became the Company's principal driver of earnings.

1979–1988

Foundations in steel

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

1989–1998

Building capability

- Installed a 25 TPD electric arc furnace in 1990.
- Acquired three power units in 1993–94.
- Installed two sponge iron kilns of 100 TPD each in 1993 and 1995.
- Sold two power units and installed one unit of 24 MW for captive purposes

1999–2008

Integration takes shape

- Installed and commenced operations of a 24 MW captive power plant and ferro alloy plant in 2001.
- Commenced production in 2×6 MT induction furnaces.
- Commenced operations of a fly ash brick plant.
- Acquired an iron ore mine and 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 Star Export House status from the Government of India.
- Sarda Energy & Minerals Limited came into existence on 2 August 2007 following the merger of Chhattisgarh Electricity Company Limited and Raipur Gases Private Limited with Raipur Alloys & Steel Limited and change of name of Raipur Alloys & Steel Limited to the present name.

2009-2018

Energy enters the portfolio

- Commissioned a 4.8 MW hydropower plant in FY 2008-09.
- Pellet plant commenced operations in FY 2009-10.
- Installed a wire rod mill with capacity of 1,80,000 TPA.
- Increased power generation capacity from 48 MW to 81.50 MW.
- Commenced a 66 MVA ferro alloys plant and 80 MW thermal power plant at Vizag in 2012-13.
- Commissioned a 24 MW hydropower project in July 2017 at Chhattisgarh.

2019-2025

Scale and diversification

- 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 the 113 MW Sikkim hydropower plant in June 2021.
- Commissioned the Gare Palma IV/7 coal mine with a capacity of 1.2 MMT p.a. in FY22.
- Commenced operations of a coal washery with capacity of 0.96 MMT p.a. in February 2022.
- Increased ferro alloys capacity by 36 MVA in December 2022 at the Vizag plant.
- Increased wire rod mill capacity from 1,80,000 MT to 2,50,000 MT in March 2023.
- Expanded wire capacity from 36,000 MT to 45,000 MT in FY 2023.
- 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.
- Increased coal mining capacity by 20% to 1.44 MMT p.a. in FY 2024.
- Acquired SKS Power (2×300 MW thermal) under IBC and amalgamated with effect from September 2024.

FY 2025-26

The year energy took the lead

- Increased the Gare Palma IV/7 coal mine capacity to 1.80 MTPA and achieved production at the full permitted limit.
- Commissioned the 24.9 MW Rehar hydropower project in Chhattisgarh in July 2025, under a 40-year power purchase agreement.
- The Hon'ble Supreme Court dismissed all appeals against the Company's resolution plan for SKS Power, affirming ownership of the 600 MW thermal asset.
- Approved the acquisition of a majority stake in a company holding development rights for a 66 MW hydropower project in Arunachal Pradesh.
- Board approved expansion of the Raipur pellet plant from 0.9 to 2.0 million tonnes per annum.

Statutory Reports

Financial Statements

Governance built for a broader business

As SEML grows across energy, mining and metals, the role of governance extends well beyond compliance. It is about ensuring that increasing scale is supported by sound judgement, appropriate oversight, financial discipline and a clear understanding of risk.

The Board brings together long-standing knowledge of the Company with independent expertise across industry, operations, power, mining, finance, regulation and public administration. This combination enables strategic decisions to be considered from multiple perspectives while maintaining accountability to shareholders and other stakeholders.

SEML's governance philosophy continues to be anchored in transparency, protection of stakeholder interests, integrity and ethics, sustainability and corporate responsibility. Together, these principles provide the framework within which the Board evaluates strategy, oversees performance and guides the Company's long-term development.

BOARD AT A GLANCE

9

Directors

5

Independent Directors

3

Promoter Directors

1

Independent Woman Director

56%

Independent representation on the Board

300+ Years

Combined professional and industry experience

5

Board meetings during FY2025-26

5

Principal Board Committees



BOARD OF DIRECTORS



Mr. Kamal Kishore Sarda

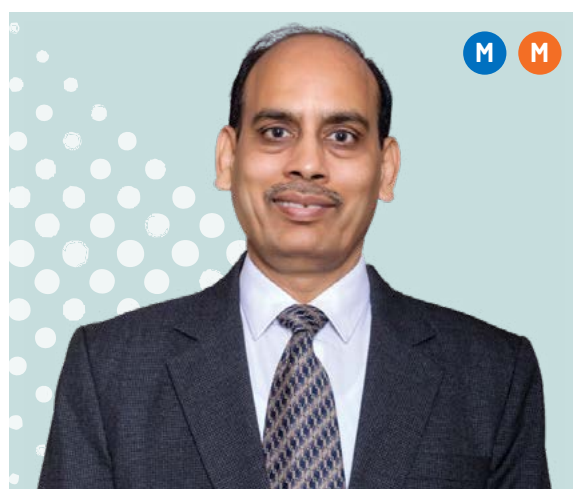
Chairman

Mr. Kamal Kishore Sarda is a Mechanical Engineer with nearly 50 years of industry experience. He has played a defining role in shaping Sarda Energy & Minerals Limited's evolution across metals, mining and energy, bringing deep expertise in iron and steel, resource development and strategic planning. Over the years, his leadership has guided the Company through successive phases of expansion and diversification while maintaining a strong emphasis on operational discipline, responsible growth and sound governance. His experience and long-term perspective continue to provide strategic direction as SEML enters its next phase of growth.

Mr. Pankaj Sarda

Managing Director

Mr. Pankaj Sarda holds an M.S. in Industrial Administration and brings nearly 23 years of industry experience across strategic planning, production, operations and general management. He has been closely involved in translating SEML's strategic priorities into execution, strengthening operating efficiency and improving coordination across the Company's businesses. His experience in manufacturing and operations continues to support process improvement, value-chain integration and organisational development as SEML advances into its next phase of growth.



Mr. Padam Kumar Jain

Wholetime Director and Chief Financial Officer

Mr. Padam Kumar Jain is a Chartered Accountant and Company Secretary with nearly 40 years of experience across accounting, finance, taxation, budgeting, costing and corporate laws. As Whole-time Director & Chief Financial Officer, he plays a key role in strengthening financial discipline, regulatory compliance and capital planning across the organisation. His extensive experience continues to support prudent financial management, robust internal controls and effective risk oversight as SEML pursues its next phase of growth.

Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee

Risk Management Committee

Corporate Social Responsibility Committee

C : Chairperson | **M** : Member



Mr. Anant Sarda

Non-Executive Non-Independent Director

Mr. Anant Sarda has done B.Sc. in Engineering and has also done MBA. He brings in around 8 years of business experience across budgeting, costing, treasury operations, investments and plant operations. His exposure to operational review, efficiency improvement and financial planning enables him to contribute a contemporary perspective to the Board. He continues to support SEML's efforts to improve process efficiency, strengthen operating discipline and enhance performance across businesses.

Ms. Tripti Sinha

Independent Director

Ms. Tripti Sinha is a gold medallist in Electrical Engineering with nearly 45 years of experience in the power sector. Her extensive exposure to power transmission and operational matters brings strong technical depth to the Board and supports informed deliberation on energy-related strategy, performance and risk. Her independent perspective also contributes to balanced decision-making, stronger oversight and inclusive governance across the organisation.



Mr. Amal Kumar Debnath

Independent Director

Mr. Amal Kumar Debnath is a B-Tech in Mining and a First-Class Mine Manager with nearly 50 years of experience across mining and related matters. His deep understanding of mineral exploration, mining operations, policy and regulatory requirements brings valuable sectoral perspective to the Board. His experience continues to support SEML's focus on responsible resource development, operational discipline and stronger governance across its expanding mining portfolio.

 Audit Committee

 Nomination and Remuneration Committee

 Stakeholders Relationship Committee

 Risk Management Committee

 Corporate Social Responsibility Committee

C : Chairperson | **M** : Member



Mr. Binoy Parikh

Independent Director

Mr. Binoy Parikh is a Chartered Accountant with around 13 years of experience across accounting, internal controls, capital-market regulation, mergers and amalgamations and taxation. His financial and regulatory expertise brings strong analytical depth to the Board, particularly in matters relating to audit, controls and corporate transactions. His independent perspective continues to strengthen SEML's financial governance, reporting discipline and oversight framework.

Mr. Rajeev Sharma

Independent Director

Mr. Rajeev Sharma is a seasoned power-sector professional with a Master's in Engineering from IIT Roorkee and an MBA, bringing nearly 42 years of experience across the power value chain. His deep understanding of power operations, sector regulation and institutional frameworks adds significant technical and strategic depth to the Board. His experience continues to support informed decision-making as energy assumes a larger role in SEML's business and growth plans.



Mr. Upendra Prasad Singh

Independent Director

Mr. Upendra Prasad Singh is a former IAS officer of the 1985 batch, Odisha Cadre, with nearly 40 years of experience in public administration and institutional leadership. An engineering and management professional, he has led several public sector enterprises and brings deep understanding of policy, governance and administrative systems. His experience strengthens the Board's perspective on stakeholder alignment, regulatory matters and responsible decision-making.

 Audit Committee

 Nomination and Remuneration Committee

 Stakeholders Relationship Committee

 Risk Management Committee

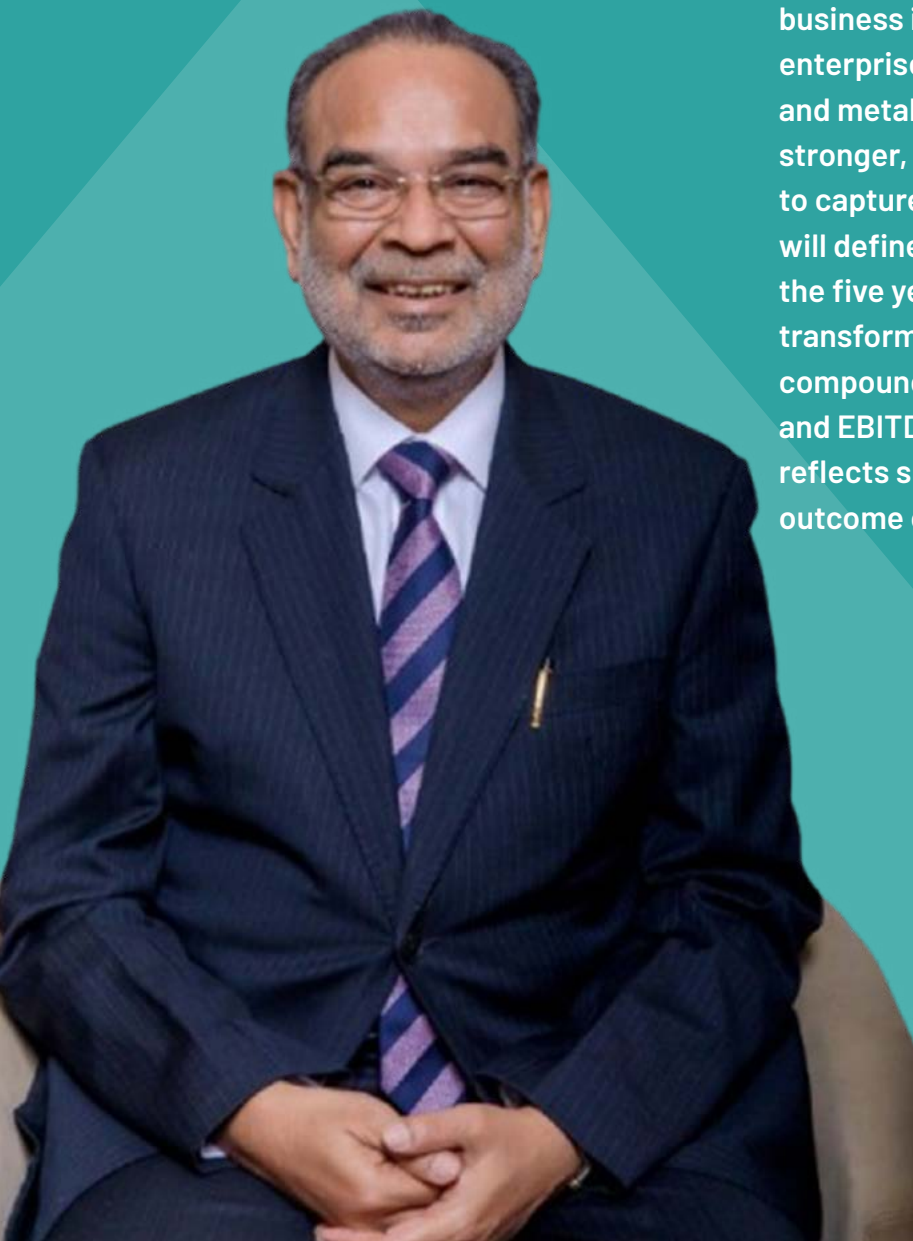
 Corporate Social Responsibility Committee

C : Chairperson | **M** : Member

Chairman's Message

Dear Shareholders

"Enduring value is rarely created by chance; it is built step by step with clarity of purpose and discipline in execution." This thought captures how Sarda Energy & Minerals Limited has approached its evolution over the past several years. The ethos, founding principles and core identity of this organisation has not changed over time. What has changed, deliberately and steadily, is the shape of the business itself, moving from a metals-led enterprise into an integrated energy, mining and metals business, that is structurally stronger, more resilient and better positioned to capture opportunities across sectors that will define India's next phase of growth. Over the five years leading up to FY 2025-26, this transformation has translated into revenue compounding at approximately 20% annually and EBITDA at close to 25%, a trajectory that reflects sustained discipline rather than the outcome of any single favourable year.



We are living through what may be the most consequential structural shift the global economy has witnessed in decades. Three forces, the energy transition, the reconfiguration of global supply chains and the rapid rise of artificial intelligence, are converging at once, and together they are redrawing the map of industrial demand. Global electricity consumption tied to data centres and AI infrastructure is projected by several international agencies to more than double by the early part of the next decade. Countries and companies that can offer secure, affordable and reliable energy, along with dependable access to critical minerals, will increasingly find themselves at the centre of this new economic order. It is within this global context that we must understand the choices Sarda has made and continues to make.

A WORLD IN TRANSITION

Across the world, energy systems are being redesigned. The shift toward renewable sources continues, even as thermal retains a critical role in ensuring grid stability and round-the-clock supply. Nations are simultaneously seeking to reduce dependence on imported fuel and critical minerals, recognising that energy security is no longer a peripheral concern but a matter of national resilience. At the same time, artificial intelligence, once a niche technological pursuit, has become a driver of extraordinary demand for computing infrastructure, data centres and, consequently, electricity. This reordering of priorities has been accelerated by geopolitical tensions in various parts of the world, which have disrupted established supply routes and pushed governments toward greater self-reliance in energy, metals and industrial inputs. The businesses that will benefit most from this shift are those with the foresight to build capacity ahead of demand, and the financial discipline to do so without compromising their balance sheets.

INDIA'S MOMENT

Amid this global recalibration, India's position stands out with remarkable clarity. The country's manufacturing renaissance, its ambitious infrastructure build-out, and its growing participation in the global electronics and semiconductor

ecosystem are converging to create a scale of energy demand that India has rarely seen before. In May 2026, India's power grid recorded a fresh all-time high peak demand of 270.8 GW, comfortably surpassing the previous high of 250 GW recorded in 2024, while the country's crude steel production grew by more than 11%, even as several established global markets, including China, recorded a contraction. Government initiatives aimed at strengthening domestic manufacturing and reducing reliance on imports, guided by the broader vision of a self-reliant and developed nation by 2047, are reinforcing this momentum at every level of the economy.

It is this confidence in India's trajectory that gives us the conviction to scale further. We do not view our growth in isolation. We see it as intertwined with the nation's own journey towards energy security, industrial self-sufficiency and sustainable development. Every additional megawatt of capacity we build, every tonne of resource we secure responsibly, and every improvement we make in our operating efficiency is, in a modest but meaningful way, a contribution to that larger national purpose.

STRENGTHENING THE BUSINESS, QUIETLY AND STEADILY

The year under review gave us another opportunity to test the strength of the integrated model we have built. While the external environment evolved rapidly and tested businesses with challenges that few could have anticipated even a year earlier, our ability to grow sustainably was, if anything, reinforced during a volatile period. This resilience came from remaining true to our deep-rooted values, our entrepreneurial spirit and the enduring trust placed in us by every stakeholder connected to this organisation.

We continued to invest in long-term assets while maintaining a conservative financial profile, understanding that the businesses which endure through cycles are those that never let ambition outrun prudence. The Hon'ble Supreme Court's final judgment affirming our acquisition of SKS Power strengthened the foundation for our next phase of growth. During the year, we integrated new capacities into our operations, enhanced

our resource base across geographies, and recorded our highest-ever production across several key business segments. At the same time, we remained committed to safety, to the strength of our community relationships, and to the soundness of our governance practices, recognising that these are not peripheral commitments but the very scaffolding on which long-term credibility is built.

As I look ahead, I draw considerable confidence from the enduring strengths that define this organisation: a committed workforce that has stayed the course through a period of significant transformation, a trusted market reputation built over decades, and long-standing relationships with customers, suppliers, lenders and the communities in which we operate. Together, these relationships continue to strengthen Sarda's position as a dependable partner in India's energy and metals value chain, even as we expand our footprint and open new avenues for sustainable growth.

BUSINESS OVERVIEW: THREE PILLARS, ONE ENTERPRISE

Over time, our operating base has come to rest on three interlinked pillars, each reinforcing the others. The first is a strong presence in power generation across thermal and hydro sources, a segment that today contributes the largest share of our consolidated earnings, a meaningful shift from a decade ago when the business was almost entirely dependent on metals for its profitability. The integration of our large thermal power asset in Raigarh, Chhattisgarh, together with our captive solar initiative and our hydropower projects, has made electricity a central driver of earnings for the organisation. Long-term power purchase agreements, fuel supply contracts and established grid connectivity have together given us far better visibility on cash flows and a more predictable earnings profile than we had in earlier years, when the business was more exposed to the swings of commodity cycles.

Supporting this power portfolio is a growing resource base. Our coal mining operations, both within India and abroad, together with our iron ore mine in Chhattisgarh, provide the fuel and raw material linkages that underpin both power

generation and downstream manufacturing. By aligning the development of these mining assets with generation capacity and plant requirements, we are building a more self-reliant and efficient operating model. This resource backbone is not about volume for its own sake. It is about security of supply, consistency of quality and long-term cost competitiveness, qualities that matter far more over a full economic cycle than any single quarter's output.

The third pillar is our metals business, which remains an important part of Sarda's identity and the segment through which many stakeholders first came to know this organisation. Our steel and ferro-alloys operations continue to deliver steady performance and have achieved some of their highest-ever levels of output across several product categories during the year. With planned expansion in our pellet-making capacity now underway, we are strengthening the value-added part of this chain further. What is genuinely different today, compared with even a few years ago, is that these manufacturing activities are increasingly supported by our own power and our own raw materials. This integration, more than any external market condition, is the real source of resilience in our business.

SUSTAINABILITY AND RESPONSIBILITY

We remain deeply invested in sustainability, safety and corporate social responsibility, recognising that our long-term success is closely linked to the well-being of the environment and the communities around us. Across our operations, we continue to focus on efficient energy use, responsible resource management and a steady reduction in our environmental footprint. The growing share of hydropower, solar and waste heat generation in our portfolio, together with efforts to improve efficiency in thermal generation and coal washing, reflects our commitment to a more balanced and sustainable energy mix. Vertical integration between mines, plants and power units helps optimise logistics and resource utilisation, further contributing to lower emissions and stronger overall performance.

Corporate social responsibility is integral to our identity and not merely a matter of compliance.

During the year, our CSR initiatives spanned healthcare, education, livelihoods, infrastructure and sports, reaching a wide cross-section of beneficiaries in the regions where we operate. Programmes such as physiotherapy and health camps, support for cancer screening, career counselling in village schools, livelihood development projects for farming families and youth engagement through sports have all contributed to tangible improvements in quality of life. For us, these initiatives express a simple conviction: that progress must be shared, and that creating long-term value for communities matters as much as creating value for shareholders.

This same sense of responsibility extends to how we govern the Company. Our Board brings together experienced professionals and independent directors with diverse expertise across industry, finance, energy and public administration, ensuring that every important decision benefits from both strategic perspective and independent judgement. Through its Audit, Risk Management, CSR and Nomination & Remuneration Committees, the Board provides active oversight, constructive guidance and disciplined evaluation of our strategic priorities and risk landscape. Regular Board evaluations, structured director induction programmes and robust internal controls, together with clear policies on related party transactions and ethical conduct, reinforce a culture where transparency and accountability remain fundamental to the way we operate.

BUILT TO SCALE

Over the past few years, we have built a stronger foundation, aligned our businesses more closely and created new avenues for growth across energy, resources and manufacturing. This progress is reflected in the five-fold expansion of our energy capacity, alongside the significant scale-up of our coal mining and manufacturing operations. But our journey is just the beginning.

As global energy demand continues its structural rise, driven by the twin forces of industrialisation and digitalisation, and as India continues its own march toward greater self-reliance in energy and manufacturing, I believe Sarda is well positioned to play a meaningful role in this story. Our ambitions for the years ahead are shaped by this belief. We intend to continue investing in people, in technology and in the relationships that have sustained this organisation through every phase of its growth, ensuring that we

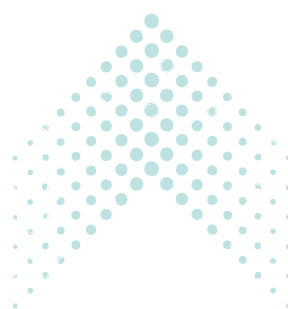
scale responsibly and translate our integrated strengths into value that endures well beyond any single financial year. As we look towards 2030, we aim to double our energy capacity, quadruple our mining capacity, expand our manufacturing footprint, and drive profitable, sustainable growth while maintaining a robust balance sheet.

Reflecting our confidence in the Company's direction, the Board has recommended a dividend of ₹ 2 per equity share, representing 200% dividend payout for FY 2025-26, the highest in the Company's history, subject to shareholders' approval.

I would like to place on record my sincere appreciation to our shareholders, employees, customers, lenders, advisors, communities and every other stakeholder who has extended their unstinting support to this organisation. Your confidence has allowed us to pursue this transformation with genuine conviction, even though periods of considerable global uncertainty. I remain confident that, with your continued support, we will keep scaling this organisation thoughtfully and creating enduring value for generations to come.

With warm regards

Kamal Kishore Sarda



From the desk of Managing Director



Dear Shareholders

Five years ago, Sarda Energy & Minerals operated as a cyclical, commodity-driven metals business, with earnings closely tied to steel and ferro alloy price movements and exposed to volatile input costs. Today, that picture has changed meaningfully. Our energy capacity has expanded nearly five-fold since FY 20-21, and our market capitalisation has grown well over 10 times during this period. These are not numbers in isolation; they represent a business that has been deliberately re-engineered, from a mid-sized, commodity-exposed metals player into a diversified, integrated enterprise where energy and mining now anchor our growth, with metals strengthened by this integration.

FY 25-26 carried this transformation forward with real momentum, and it is this year's operating and financial performance, segment by segment, that I would like to walk you through in some detail.



DELIVERING SCALE WITH DISCIPLINE

Growth means little unless it is matched by value creation. Our approach through the year remained consistent: strengthen utilisation, protect margins, and ensure that every rupee of capital deployed adds to long-term earnings capacity rather than merely to top-line size. On a consolidated basis, revenue from operations increased from ₹ 4,643 crore in FY 24-25 to ₹ 5,690 crore in FY 25-26, while total income rose from ₹ 4,815 crore in FY 24-25 to ₹ 5,928 crore in FY 25-26, up 23% and the highest total income the Company has reported in its history.

What stands out about FY 25-26 is not simply that we delivered our best-ever consolidated performance, but that we did so while several key units, including a 300 MW thermal turbine and a 30 MW captive power unit, underwent planned maintenance and replacement during a part of the year. Steel production was temporarily affected by the captive power shutdown since December, and thermal generation was impacted through December to January due to turbine maintenance. That our full-year numbers still improved meaningfully despite these interruptions speaks to the underlying strength of our integrated model, where one business can absorb the temporary strain of another without derailing overall performance. EBITDA increased from ₹ 1,410 crore in FY 24-25 to ₹ 2,025 crore in FY 25-26, a growth of 44%, while profit after tax rose from ₹ 702 crore in FY 24-25 to ₹ 1,109 crore in FY 25-26, a growth of 58%, crossing the ₹ 1,000 crore threshold for the first time in our history.

POWERING GROWTH: ENERGY AT THE CORE

Energy has firmly established itself as the principal engine of our business. Our thermal power operations, led by the Binjokot plant, delivered their highest-ever annual generation in FY 25-26, with thermal generation, excluding captive use, rising from 2,238 million units in FY 24-25 to 4,155 million units in FY 25-26, a growth of 84%. Hydropower generation across our Sikkim, Chhattisgarh and Uttarakhand assets increased from 508 million units in FY 24-25 to a record 664 million units in FY 25-26, a growth of 31%, aided by the commissioning of the 24.9 MW Rehar project. Energy now contributes roughly two-thirds of our consolidated EBITDA, a clear marker of how meaningfully our earnings mix has shifted over a relatively short span of time, from a business where metals once dominated to one where power generation now sets the pace.

We have also worked to improve the quality, not just the quantity, of this generation. A growing share of capacity is now backed by medium and long-term power purchase agreements, improving revenue visibility and reducing our dependence on short-term merchant markets. This shift matters because it changes the character of our earnings, making them steadier and more predictable across the year rather than subject to the swings of spot power prices, which can move sharply with weather patterns, fuel availability or grid demand in any given month.

During the year, we approved the acquisition of a majority stake in a company holding rights to a 66 MW hydropower project in Arunachal Pradesh, with most approvals and critical land already secured. We also advanced three additional small hydropower projects in Chhattisgarh, together adding 74 MW to our pipeline. On the renewable front, a 50 MW captive solar project is nearing commissioning, a step that will further diversify our generation mix and reduce our own operational reliance on external grid power. Separately, the 30 MW turbine-generator set replacement project at our captive power facility has achieved completion and will add to overall efficiency of our manufacturing operations.

Perhaps the most consequential development of the year came from the judicial resolution of a matter that had lingered for some time. The Hon'ble Supreme Court dismissed all dissenting appeals filed against the approval of our resolution plan for the acquisition of SKS Power Generation Chhattisgarh Limited under the insolvency process. This ruling removes a significant overhang and paves the way for us to double the capacity of this thermal asset from 600 MW to 1,200 MW in the coming years, supported by strong cash generation and a robust balance sheet. Importantly, for this brownfield expansion, the land, water, grid connectivity, fuel availability, coal handling and railway siding infrastructure are all already in place, which meaningfully de-risks the project execution and compresses the timeline of execution compared with a greenfield project. We have applied for the necessary environmental clearance and expect this in due course.

SECURING THE BACKBONE

No integrated energy and manufacturing business can sustain itself without dependable access to fuel and raw material. Mining, for us, is not a support function, it is a strategic capability, and FY 25-26 demonstrated

why this distinction matters in practice rather than merely in principle.

Our Gare Palma IV/7 coal block in Chhattisgarh operated at its enhanced capacity of 1.80 MTPA during the year, reaching the maximum permissible annual limit approved by the Chhattisgarh Environment Conservation Board, which had earlier raised the sanctioned ceiling from 1.68 MTPA. Reaching this full permissible limit is itself a demonstration of our mining execution capability and our ability to efficiently maximise extraction within regulatory boundaries, a discipline that is often underappreciated until fuel supply becomes a constraint elsewhere in the industry. Development of the Shahpur West coal mine remains on schedule and continues to progress well, while approvals for the Gare Palma IV/5, Bartunga and Senduri coal blocks are advancing as planned. Taken together, these assets are expected to multiply our mining capacity several-fold over the coming years, strengthening our captive resource base while also opening the door to selective commercial participation in the broader coal market.

On the iron ore side, our captive mines supported record production across our metals business during the year, reinforcing the practical advantages of backward integration that we have discussed in previous communications with you. Looking ahead, the Board has approved expansion of our Raipur pellet plant from 0.9 million tonnes to 2.0 million tonnes per annum, at an estimated capital outlay of approximately ₹ 500 crore, with environmental clearance already secured and the detailed project report currently under preparation.

This is a business we are building patiently, block by block, precisely because resource security compounds in value over time, often in ways that are not immediately visible on a quarterly scorecard but become decisive advantages over a full cycle.

STRENGTHENING OUR METALS BUSINESS

Metals remain the business on which our reputation was first built, and FY 25-26 reaffirmed its role within our integrated model. We recorded our highest-ever annual production of iron ore pellets at 8,26,293 metric tonnes and sponge iron at 3,45,066 metric tonnes, while our HB wire division achieved record output of 40,425 metric tonnes. Steel price realisations remained subdued for much of FY 25-26 compared

with FY 24-25, reflecting broader industry-wide pricing pressure, though conditions began improving toward the closing months of the year as demand and pricing dynamics turned more favourable across the sector. As part of our broader sustainability commitment within this segment, we also commissioned a mineral wool facility, an initiative that sits at the intersection of our metals operations and our environmental goals, and one that we believe will scale meaningfully as circular-economy practices become more central to industrial manufacturing in India.

What has changed most, however, is not visible in production statistics alone; it is the depth of coordination between our energy, metals and mining teams. Decisions on production planning and customer commitments are now made with far greater visibility into fuel availability and input costs, and this alignment continues to strengthen with each passing quarter. This is, in many ways, the quiet, unglamorous work of integration, the kind that does not always make headlines but steadily compounds into a more resilient enterprise.

STRENGTHENING FINANCIAL PERFORMANCE

Numbers on their own tell only part of the story; what matters is how consistently they hold up across the year, and how they translate into the underlying quality of earnings rather than one-off gains. Our EBITDA margin improved to 34.2% as against 29.3% in FY 24-25, while our PAT margin improved from 14.6% in FY 24-25 to 18.7% in FY 25-26, a clear sign that our earnings quality is strengthening alongside scale rather than simply growing in absolute terms. Earnings per share rose from ₹ 19.86 in FY 24-25 to ₹ 31.38 in FY 25-26, reflecting the extent to which this improved profitability has translated into shareholder value on a per-share basis. Cash profit increased from ₹ 1,199 crore in FY 24-25 to ₹ 1,818 crore in FY 25-26, underscoring the genuine cash-generating capacity behind our reported earnings.

This improved profitability has also translated directly into a stronger balance sheet. Consolidated net debt declined sharply from ₹ 1,566 crore in FY 24-25 to ₹ 215 crore in FY 25-26, a reduction of over 85% in a single year, while our standalone business remained net-debt free throughout the period. Our consolidated liquidity position remained robust at over ₹ 2,380 crore, giving us the flexibility to fund ongoing capital projects without straining near-term operations or forcing us into reactive financing decisions. Our long-term credit

rating was reaffirmed at AA- during the year, with the outlook revised to Positive, a recognition that reflects both our improving leverage profile and the growing predictability of our earnings.

This financial discipline is not new; it is a habit we have built deliberately over several years. We continue to size our capital expenditure to match internal cash generation, sequence projects so that each new investment begins contributing to earnings before the next major commitment is made, and evaluate every rupee deployed against its impact on long-term earnings resilience rather than short-term optics. It is this discipline, more than any single project or acquisition, that has allowed us to grow at the pace we have without compromising the strength of our balance sheet.

RESPONSIBILITY BUILT INTO DAILY OPERATIONS

As our scale has grown, so has our sense of responsibility toward the environment and the communities in which we operate. Our hydropower assets, with installed capacity of 166.7 MW, together with our upcoming solar project, continue to shift our energy mix meaningfully toward cleaner sources of generation. This is not a separate sustainability initiative running alongside our core business; it is becoming part of how the core business itself is structured, embedded into how we plan capacity, allocate capital and think about long-term competitiveness.

On the social side, the group impacted nearly 3,000 farming families through livelihood initiatives during the year, alongside healthcare, education and infrastructure support extended across our operating regions. We were recognised as the Best Company in the Entire Eastern Region in Safety, a recognition that reflects the operating discipline our teams carry into every plant and mine site, day after day, rather than a one-time achievement tied to a single audit or inspection. The Supreme Court's dismissal of all appeals against our SKS Power resolution plan this year stood as an important external validation of the rigour and diligence behind our major strategic decisions, reinforcing the credibility with which we approach transactions of this scale and complexity.

WAY AHEAD

As we look to the next phase, our priorities are specific rather than aspirational. We intend to double the

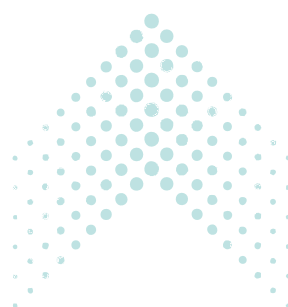
Binjokot thermal power plant's capacity to 1,200 MW, enhance our hydropower generation capacity to more than 300 MW, quadruple our mining capacity through the development of Shahpur West, Gare Palma IV/5, Bartunga and Senduri coal blocks, and more than double our Raipur pellet capacity to 20 lakh tonnes per annum. Each of these initiatives is already backed by approvals, existing infrastructure or committed capital in place; this is a roadmap already under execution, not a set of intentions awaiting future validation.

Beyond these headline projects, we will continue to evaluate opportunities in emerging areas such as coal gasification, deepen our digital and process capabilities across operations, and remain alert to selective, well-evaluated opportunities that strengthen our value proposition further. Every one of these steps will be pursued with the same operating discipline that has defined our approach through FY 25-26, ensuring that scale and control continue to grow together rather than at each other's expense. We are conscious that the businesses which sustain their advantage over the long run are rarely those that grow fastest in any single year, but those that grow most consistently across many years, and it is this consistency that we intend to prioritise above all else.

None of what has been described would be possible without the trust our employees, shareholders, lenders and communities have placed in us. That trust allows us to plan several years ahead rather than one quarter at a time, and it is what we intend to keep earning through consistent, disciplined execution, quarter after quarter, year after year.

With warm regards

Pankaj Sarda



Why do all four of our sectors point the same way?

SEML operates across power generation, coal and iron ore mining, steel products and ferro alloys. These are usually described as four industries. During FY 2025-26 they behaved as one, because each is being driven by the same underlying force: an economy building physical capacity at scale. India needs more electricity, more coal of better grade, more processed iron ore feedstock and more alloying material, and it needs them at the same time and largely from the same states. The following pages set out what each sector did during the year, and what that means for a company present in all of them.



Energy

KEY TRENDS SHAPING THE INDUSTRY

Peak demand met

256 GW

Achieved in May 2026, with an energy shortage of only 0.03%, against 4.2% in FY 2013-14. Projected to reach 335 GW by FY 2029-30.

Thermal roadmap

97 GW

Additional coal-based capacity planned by FY 2034-35, taking total thermal capacity to around 307 GW as baseload remains essential.

Demand growth ahead

6.0-6.5%

Projected annual growth between FY 2027 and FY 2031, with electric vehicles, green hydrogen and data centres contributing 20% to 25% of the increment.

Capacity added

65 GW

The highest annual addition on record, comprising around 55 GW renewable and 9.5 GW thermal, taking installed capacity to approximately 542 GW.



PAIN POINTS

Fuel price and availability

Generators dependent on purchased coal carry exposure to index movements and supply disruption. The Indian coal index rose during the year while imported supply was affected by geopolitical conditions.

Merchant price volatility

Exchange prices moved between ₹ 3.33 and ₹ 4.30 per unit across quarters. Earnings for spot-reliant generators move with weather, fuel and grid demand rather than with their own performance.

Grid and storage constraints

As renewable penetration rises, the value of dispatchable and flexible generation increases, but so does the need for transmission and storage investment to match.

SEML POSITIONING

Position

Balanced portfolio across thermal, hydro and solar in four states, delivering 6,122 million kWh during the year, with energy contributing approximately two thirds of consolidated EBITDA.

What insulates it

Captive coal from Gare Palma IV/7 site near the thermal plant. Medium and long-term power purchase agreements covering a growing share of thermal capacity. Forty and thirty-five year agreements on hydro assets. Waste heat recovery adding 21.5 MW from process heat.

The pipeline

Doubling generation capacity by FY 2030 through the 600 MW to 1,200 MW brownfield expansion, three Chhattisgarh hydro projects totalling 74 MW, a 66 MW project in Arunachal Pradesh and a 50 MW captive solar plant.

Mining

KEY TRENDS SHAPING THE INDUSTRY

Domestic coal production

1,095 MT

Estimated for FY 2025-26, following the crossing of one billion tonnes in the previous year.

Captive and commercial blocks

210.46 MT

Produced by 31st March 2026, growth of more than 10%, with dispatches exceeding 204 million tonnes as private mining reaches scale.

Iron ore production

305 MT

Up from about 289 million tonnes, with output expected to reach 340 to 345 million tonnes in FY 2026-27.

Coal gasification target

100 MT

Annual gasification targeted by 2030 under the National Coal Gasification Mission, supported by a ₹ 37,500 crore incentive scheme.



PAIN POINTS

Approval timelines

Environmental clearance, forest clearance and mining plan approvals determine project schedules more than construction capability does. Equipment suppliers in India are also heavily booked.

Grade and logistics, not tonnage

Competitiveness is shifting from volume to coal quality, evacuation efficiency and grade matching. The sector is becoming a market rather than a supply chain.

Land and infrastructure

Surface rights, transportation corridors and railway sidings frequently sit on the critical path, requiring sustained engagement well ahead of first production.

SEML POSITIONING

Position

Gare Palma IV/7 operated at its full permitted 1.80 MTPA capacity, producing 17,99,998 tonnes, supported by an integrated 1.80 MTPA washery. Captive iron ore at Rajnandgaon supports the pellet and sponge iron operations.

What insulates it

Coal consumed captively rather than purchased. Beneficiation capacity improving grade before use. A dedicated railway siding under development to reduce evacuation cost. International presence through JV in Indonesia under Singapore Subsidiary.

The pipeline

Approved capacity moving towards 7.10 MTPA through Shahpur West, Gare Palma IV/5, Bartunga and Senduri, with Gare Palma IV/5 proposed for conversion to a 2.0 MTPA opencast operation. Mining becomes a business in its own right rather than a support function.

Metals

KEY TRENDS SHAPING THE INDUSTRY

Crude steel production

168.4 MT

Up from 152.2 MT, even as global output declined around 2% to approximately 1,850 million tonnes.

Finished steel consumption

163.7 MT

Supported by infrastructure, construction, engineering and automotive demand, with production at 160.9 MT.

Per capita consumption

100 KG+

Crossed for the first time, against a National Steel Policy target of 160 kg by 2030-31.

Pellet production

110-115 MT

Up from around 105 million tonnes, as pellet use in efficient iron making continues to widen.



PAIN POINTS

Price volatility

Global overcapacity and lower-priced imports continue to influence domestic realisations. Prices reached multi-year lows before recovering late in the year.

Feedstock quality demands

Premium-grade iron ore and pellet imports roughly doubled nationally as steelmakers became more specific about grade, blending and plant-level requirements.

Coking coal dependence

Import reliance for coking coal, together with freight and energy cost movement, remains a structural consideration for Indian producers.

SEML POSITIONING

Position

Highest-ever annual production of iron ore pellets at 8,26,293 tonnes, sponge iron at 3,45,066 tonnes and HB wire at 40,425 tonnes, achieved despite the planned shutdown of a captive power unit.

What insulates it

Captive iron ore and captive power feeding the plants. Around 35% of pellets, 85% of sponge iron and 85% of billets consumed internally, reducing exposure to spot pricing at each stage. New products introduced during the year including 6 mm ribbed TMT in coil form.

The pipeline

Pellet capacity expanding from 0.9 to 2.0 million tonnes at an estimated ₹ 500 crore with environmental clearance in place, positioned for iron ore mines expected to open in Chhattisgarh over the next two to three years.

Ferro Alloys

KEY TRENDS SHAPING THE INDUSTRY

Domestic demand

4+ MT

Exceeded during the year, against installed capacity of around 7.5 million tonnes and production of approximately 6 million tonnes.

Exports

2 MT

Maintained, underlining India's position as a significant supplier to international markets.

Demand growth ahead

7-8%

Projected annual growth over the medium term, supported by expanding steel capacity and rising value-added steel consumption.

Power in cost structure

Largest input

Electricity remains among the biggest cost components, making captive generation a structural rather than incidental advantage.



PAIN POINTS

Power cost exposure

Electricity is among the largest cost components. Producers without captive generation face a disadvantage that scale alone cannot recover.

Ore availability

Access to quality manganese and chrome ore, together with efficient logistics and inventory discipline, directly determines operating margin.

SEML POSITIONING

Position

Production of 200,095 tonnes across Raipur and Visakhapatnam with combined installed furnace capacity of 147 MVA. Exports of 1,02,199 tonnes to international markets.

What insulates it

An 80 MW captive power plant at Visakhapatnam addressing the sector's largest cost exposure directly. Two-Star Export House recognition supporting international market access. Low-Phosphorus Silico Manganese introduced during the year for specific customer requirements.

The pipeline

Continued search for long-term manganese resources to extend backward integration, alongside achieving operational efficiencies.

Every quarter strengthened SEML's transformation from metals to an Energy-plus-Minerals enterprise

During FY 2025-26, each quarter advanced SEML's transformation through the growing scale of its energy business, deeper integration with mining operations and steady progress across metals. The year witnessed the successful scale-up of SKS Power, commissioning of new hydropower capacity, stronger fuel security through captive mining and record production across several categories. Supported by disciplined execution, robust cash generation and a strong balance sheet, SEML strengthened its platform for the next phase of profitable growth.

Q1

- Energy emerged as the principal growth engine, contributing 49% of consolidated revenue and 67% of consolidated EBITDA during the quarter.
- IPP Binjkot delivered strong operational performance, achieving an average PLF of 90% and an average realisation of ₹ 6.16 per unit.
- Iron ore pellet production reached a quarterly record of 2,30,375 MT.
- Raipur captive power generation touched its highest-ever quarterly level at 188 MU.
- Consolidated performance strengthened significantly, with revenue growing 76% and PAT increasing 120% year-on-year.

Q2

- The 24.9 MW Rehar Small Hydro Project commenced commercial operations, taking SEML's operational hydropower portfolio to approximately 167 MW.
- IPP Binjkot maintained steady performance with an average PLF of 85% during the quarter.
- Hydropower generation increased by 31% year-on-year to 362 MU, supported by seasonal flows and the newly commissioned Rehar project.
- The energy segment reinforced its position as the core earnings driver, accounting for 70% of consolidated EBIT during Q2 FY 2025-26.
- Consolidated revenue and PAT recorded strong year-on-year growth of 32% and 61% respectively.

Q3

- Two new power purchase agreements were signed, strengthening medium-term revenue visibility for the energy business.
- Operational linkages between the Gare Palma IV/7 coal mine and IPP Binjkot were strengthened, improving fuel security and cost efficiency.
- The energy segment contributed more than two-thirds of consolidated EBITDA, affirming its position as SEML's primary earnings engine.
- Hydropower generation increased by 16% year-on-year during the quarter while iron ore pellet production grew by 9%.
- SEML maintained a strong financial foundation, supported by liquidity of approximately ₹ 2,300 crore and a CRISIL AA-/Positive/A1+ credit profile.

Q4

- The Hon'ble Supreme Court upheld SEML's resolution plan for SKS Power, removing the residual legal overhang associated with the acquisition.
- SKS Power was successfully integrated and scaled, supported by profitable long-term PPAs covering approximately 50% of its capacity.
- The approved capacity of the Gare Palma IV/7 coal mine increased to 1.80 MTPA, strengthening captive fuel availability and business integration.
- SEML recorded its highest-ever annual production across multiple categories, including thermal power, hydropower, coal, iron ore pellets, sponge iron and HB wire.
- Strong execution supported a 55% year-on-year increase in quarterly PAT, alongside the Company's highest-ever dividend payout of 200%.

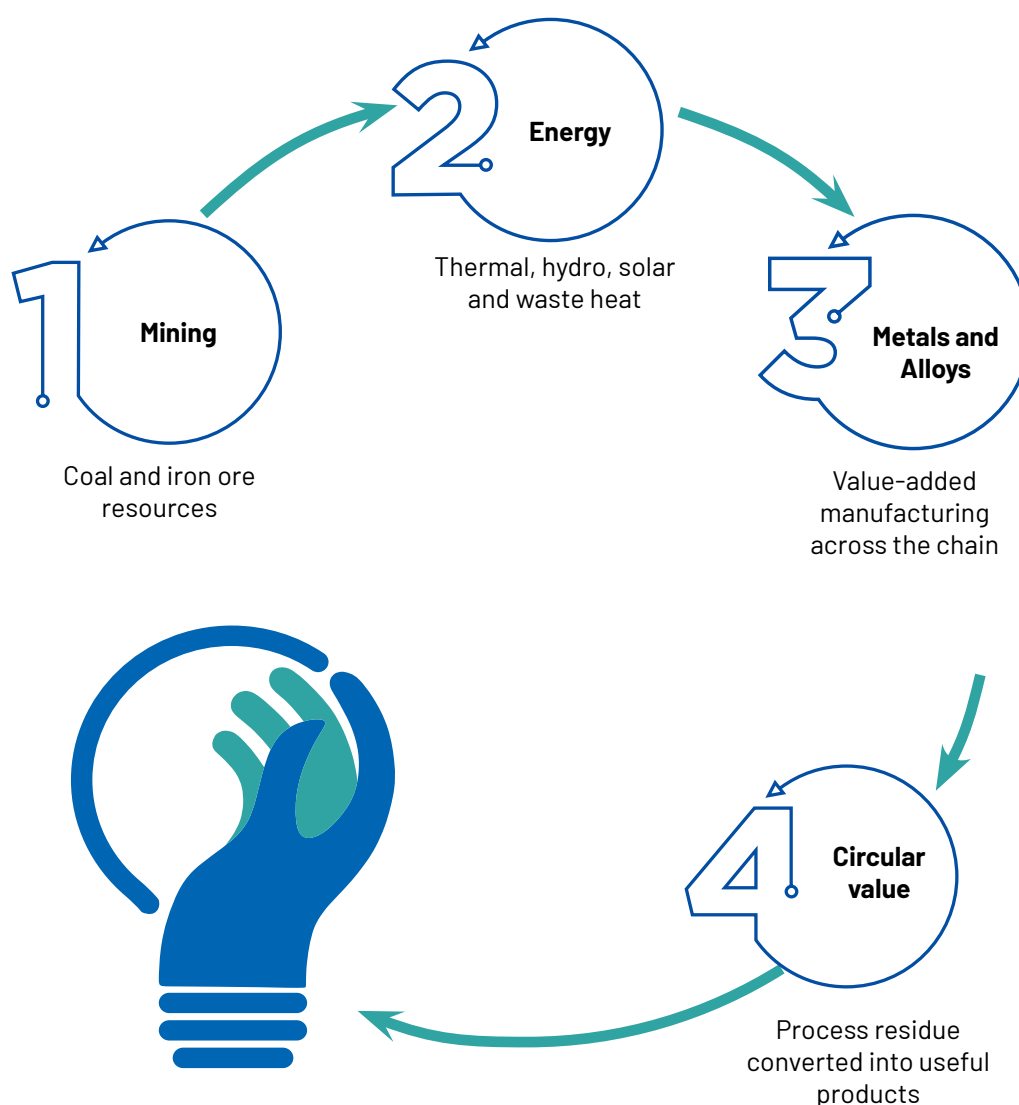
Our value creation business model

At Sarda Energy & Minerals Limited, value creation begins with the way our businesses work together. Our integrated model connects mining, energy, metals and alloys to build resource security, strengthen operating efficiency and create a more resilient earnings base. It is further reinforced by disciplined capital allocation, technical capability, responsible resource use and enduring stakeholder relationships.

Our Commitment

To convert integrated capabilities into sustainable value for shareholders, customers, employees, communities and the environment.

How the model works?



The capitals that enable value creation

Our operating model is sustained by six interdependent forms of capital. We invest in and renew each of them to create enduring value.



Manufactured Capital

Integrated mining, power and manufacturing assets supported by logistics, engineering and process infrastructure.

How we strengthen it

Improve availability, reliability and integration across operating assets.

Value delivered

Efficient conversion of resources into high-value products.



Social & Relationship Capital

Relationships with customers, suppliers, lenders, communities and other stakeholders.

How we strengthen it

Engage transparently, operate responsibly and build lasting trust.

Value delivered

Stakeholder trust, enduring relationships and shared value creation.



Intellectual Capital

Technical know-how in mining, power generation, metallurgy, project execution and operating integration.

How we strengthen it

Build process knowledge, automation and data-led operating discipline.

Value delivered

Higher productivity, stronger controls and informed decisions.



Human Capital

Experienced leadership, engineers, operators and support teams across businesses.

How we strengthen it

Strengthen capability, safety, engagement and a culture of accountability.

Value delivered

Consistent execution and a safer, high-performance workplace.



Financial capital

Cash generation, liquidity, retained earnings and access to diversified funding.

How we strengthen it

Allocate capital prudently while maintaining balance-sheet strength.

Value delivered

Capacity to invest through cycles and pursue growth with discipline.



Natural capital

Mineral resources, land, water and energy inputs that support our operations.

How we strengthen it

Increase resource efficiency, renewable energy use and waste-to-value initiatives.

Value delivered

A more resource-efficient and circular operating ecosystem.

VALUE CREATION IN ACTION

SEML's value creation model links resource ownership, energy generation and value-added manufacturing. The result is a business that is increasingly integrated, more resilient and better placed to create value across stakeholder groups.

VALUE GENERATED FOR STAKEHOLDERS

Shareholders

A more diversified earnings base, stronger cash generation, prudent leverage and the capacity to fund the next phase of value-accretive growth.

Profit after tax

Rs.1,109 crore

Dividend payout

200%

Customers

Reliable supply of quality energy, metal and alloy products backed by integrated operations, process expertise and a focus on delivery consistency.

Thermal power generation

5,458 MU

Iron ore pellet production

8,26,293 MT

Employees

Meaningful work across diverse businesses, opportunities to build technical capability and a workplace centred on safety, responsibility and performance.

Employee expenses

Rs.222 crore

Award

1 Regional safety appreciation award

Communities and environment

Responsible operations, local engagement, support for social development and a continued focus on resource efficiency and circularity.

Farming families supported

3,000

Single-teacher schools adopted

150



RESOURCE AND OPERATING OUTCOMES



Energy

A diversified energy platform comprising thermal, hydropower, solar and waste-heat generation. The energy business has become the principal driver of consolidated earnings.

Strengthens earnings visibility and operating flexibility.



Mining

Coal and iron ore resources increasingly support fuel security and raw-material integration, while creating a distinct growth avenue within the portfolio.

Strengthens resource security and value-chain control.



Metals and Alloys

An integrated manufacturing chain converts minerals and energy into pellets, sponge iron, billets, wire products and ferro alloys.

Creates value-added products and manufacturing resilience.

CIRCULARITY

From process waste to renewed value

Process waste is converted into eco-bricks and mineral wool, extending the useful life of materials and reinforcing the circular character of our operating ecosystem.

What matters most

Not every issue that affects a business deserves equal attention. Some carry consequences that reach across a decade; others are managed and forgotten within a quarter. Identifying the difference is what a materiality assessment is for.

Our approach begins with the operations. We are into various manufacturing operations, each with its own exposures. We set those exposures against what our stakeholders raise with us, what regulation requires and what the Board considers significant enough to monitor. Twelve issues emerged. Five are risks we actively manage. Seven are opportunities we intend to pursue.

HOW WE DETERMINE WHAT IS MATERIAL

Examine the operations

Every issue is tested against where it actually arises. A concern affecting one site is treated differently from one affecting another site.

Assess consequence, not sentiment

Each issue is classified as risk or opportunity, with the rationale recorded and the financial implication identified as positive or negative.

Assign a response

Issues carrying negative implications receive a defined mitigation approach. Opportunities receive an owner and an intent.

Review at Board level

Material issues sit within the enterprise risk management framework, reviewed by management and by the Board through the Risk Management Committee.

FIVE RISKS WE MANAGE

Issue	Why it matters	How we respond
Occupational health and safety	Shopfloor-intensive operations involving heavy machinery, dust, heat and material handling	Risk assessment, digital incident tracking, PPE compliance, safety audits, behavioural training, preventive health checks
Energy consumption	High dependence on conventional energy exposes us to price volatility and carbon transition risk	Process optimisation, energy-efficient equipment, transition towards renewables, intensity monitoring against notified targets
Emission control	Manufacturing generates emissions and particulates against tightening norms	Air pollution control systems, continuous monitoring, cleaner technologies, fugitive dust control across roads and transport
Water and effluent	Water-intensive processes and discharge obligations, with one facility in a water-stressed district	Zero Liquid Discharge across all plants, recycling and reuse, strengthened treatment infrastructure, discharge monitoring
Human rights	A substantial workforce and contractor base creates exposure around labour practice and workplace dignity	Human rights policy, awareness programmes, grievance redressal, supplier due diligence, compliance training

SEVEN OPPORTUNITIES WE PURSUE

Issue	The opportunity
Waste management	Fly ash becomes bricks and cement feedstock, ferro manganese slag becomes silico manganese input, mill scale returns for iron recovery, dolochar fuels the power plant
Materials	Greater recycled input across fly ash, slag, end-cutting scrap and mill scale reduces cost and improves resource efficiency
Environmental compliance	A strong framework builds the regulatory credibility on which future clearances depend
Human capital development	Skilled people determine operating efficiency; training improves productivity, innovation and retention
Local considerations	Proactive community engagement creates development opportunity and sustains the social licence to operate
Responsible investment	ESG considerations in investment decisions improve capital allocation and stakeholder confidence
Life cycle management of assets	Optimising assets across their full life reduces environmental footprint and long-term capital cost



STAKEHOLDER ENGAGEMENT FRAMEWORK

At Sarda Energy & Minerals Limited, five decades of building mines, power stations and plants have taught us that operating capacity is only part of what sustains a business. The rest rests on trust, transparency and continuous dialogue with the people affected by what we do. We recognise that structured, proactive engagement is essential to sustainable value creation, to managing risk and to delivering our futuristic vision roadmap. Our approach is to listen, engage and respond, integrating what stakeholders tell us into our strategy, our operations and our ESG commitments

Stakeholder Group	Key Areas of Interest	Mode of Engagement	Frequency	Capitals Impacted
Consumers	Product consistency, delivery reliability, competitive pricing, technical support	Customer meetings, plant visits, quality feedback, MSDS documentation on exports, disruption intimation	Ongoing	Manufactured, Intellectual, Social & Relationship
Employees	Safe working conditions, skill development, career progression, fair and timely reward	Training programmes, safety forums, vigil mechanism, performance dialogue, works committees	Regular / Monthly	Human, Intellectual, Social & Relationship
Communities	Healthcare access, education, livelihood opportunity, local infrastructure, environmental impact	CSR programmes, village-level consultation, district administration partnerships, grievance redressal	Periodic / Quarterly	Social & Relationship, Natural, Financial
Investors	Earnings visibility, capital discipline, governance quality, growth execution	Annual Report, general meetings, quarterly disclosures, earnings calls, SCORES and SMART ODR	Quarterly / Annually	Financial, Manufactured, Social & Relationship
Value Chain Partners	Procurement transparency, payment cycles, on-site safety standards, contract clarity	Vendor engagement, contractor safety induction, supplier due diligence, onboarding sessions	Half-yearly / As needed	Social & Relationship, Manufactured, Financial
Environment and Eco-system	Emissions, water use and discharge, waste utilisation, biodiversity around operating sites	Continuous monitoring systems, compliance reporting, third-party assessment, external assurance	Continuous	Natural, Manufactured, Intellectual
Government and Regulatory Authorities	Statutory compliance, environmental norms, resource stewardship, contribution to development	Filings, inspections, clearance processes, industry association participation	As per mandate	Social & Relationship, Natural, Financial



WHAT ENGAGEMENT PRODUCED DURING THE YEAR

- **Consumers:** Supply held steady through planned shutdowns, with disruptions notified in advance.
- **Employees:** Training exceeded the year's target, with safety practice recognised regionally.
- **Communities:** Medical vans reached villages around our mines, alongside eye care and education support.
- **Investors:** Record dividend declared while borrowings came down.
- **Value Chain Partners:** Safety induction extended across contractor sites, with no grievance received.
- **Environment and Eco-system:** Cleaner emissions, added treatment capacity and more waste turned into product.
- **Government and Regulatory Authorities:** Clean compliance record maintained.

RISKS AND CONCERNS

The Company operates in an environment shaped by changing regulations, geopolitical uncertainty and rapid technological change. Risk is not incidental to a business of this kind; it is a permanent feature.

Operating across four sectors also means carrying four sets of risks rather than one. A mine faces approval and land risk. A power plant faces fuel and offtake risk. A furnace faces commodity and energy cost risk. Each behaves differently, and each requires a different response.

Our approach is therefore structured rather than reactive. A defined process runs through the organisation, allowing risks to be identified where they arise, categorised by nature and prioritised by consequence. The Risk Management Committee, chaired by an Independent Director, holds the mandate to identify risks and recommend the means of addressing them.

HOW THE FRAMEWORK OPERATES

- **Identify:** Risks surface from the operations themselves, from statutory and regulatory change, from stakeholder engagement, and from internal audit findings.
- **Assess:** Each risk is evaluated for likelihood, potential consequence and the adequacy of existing controls.
- **Mitigate:** Every material risk carries a defined response and a named owner within the business rather than within a central function.
- **Monitor:** Risks are tracked continuously, with periodic review by management and by the Board.

Risk	Risk-mitigating factors
Economic and industrial risk Cyclical nature of the business; unforeseen shifts in demand and supply	• Revenue diversified across power, mining and metals • Captive mineral resources securing input • Backward and forward integration across the chain • Proximity between raw material source and market • Low leverage maintained throughout the cycle
Project execution risk Delay in commissioning postpones expected benefit; approvals determine schedules	• Brownfield expansion using land, water, grid and railway infrastructure already in place • Projects sequenced so each contributes before the next commitment • Approvals progressed in parallel across multiple blocks • Equipment procurement initiated ahead of requirement
Environmental risk Discharge of pollutants; compliance obligations; emission levels	• Pollution control equipment maintained to observe norms • Regular upgradation including additional ESP fields and bag filters • Zero Liquid Discharge maintained across all plants • Full waste-to-wealth utilisation, with 100% fly ash utilised • Diesel vehicles replaced with electric alternatives
Financial risk Availability of funds for capital expenditure and operations	• Low debt gearing with net debt well within one time EBITDA • Capital expenditure sized against internal cash generation • Liquidity maintained ahead of commitment • Cushion preserved for contingencies
Foreign exchange risk Unfavourable rupee movement against imported inputs and exports	• Substantial import, export and financial assets in foreign currency providing natural hedge • Regular review of exposure at the highest level • Forward contracts used where appropriate • Exotic structures avoided
Input risk Procurement of raw material at the right cost and at the right time	• Captive mineral resources across iron ore and coal • Integrated model with backward and forward linkage • Captive power across generation sites • Rail and road infrastructure strengthened, including a dedicated siding under development

Human resources risk

Attracting and retaining talent at various levels

- Structured opportunity for growth and development
- Performance-linked reward in line with market
- Internal capability built through training and Quality Circle participation
- Regular health check-ups and in-house medical facilities

Safety and health risk

Safe working of the workforce across shopfloor-intensive operations

- Safety audits by independent teams with compliance review
- Safety training, near-miss reporting and corrective action
- Preventive maintenance and emergency response systems

Regulatory risk

Compliance with evolving statutes, guidelines and rules

- Compliance with all applicable statutory requirements
- Systems in place to track and act on regulatory change

System and cyber security risk

System capability, reliability and data integrity

- Continuous maintenance and upgrading of systems
- Data security through access control restrictions
- Regular data backup and network monitoring
- Threat risk audit and independent security review



Four businesses. One chain.

At SEML, we do not operate four separate companies under a single name, rather we operate one chain, and each link exists because the next one needs it. The pages that follow take each business in turn – energy, mining and manufacturing and set out what each produced during the year, what changed within it, and what we are building next.

Energy

The business that now sets the pace

Energy has moved from supporting the metals operations to leading the Company. Thermal, hydro and, shortly, solar generation together contribute the largest share of consolidated earnings, and a growing proportion of that output is sold under agreements that run for decades rather than days.

What distinguishes this portfolio is not its size but its composition. Thermal provides dependable baseload sited beside our own coal. Hydro provides clean generation with negligible marginal cost across three states. Waste heat recovery converts process heat that would otherwise be lost. Each behaves differently through the year, and together they smooth what any one of them alone would leave exposed.

THE PORTFOLIO

Thermal: The 2×300 MW independent power plant at Binjkot in Raigarh district anchors the thermal business, sited beside the Gare Palma IV/7 coal mine that fuels it. Captive units at Siltara and Visakhapatnam support manufacturing operations directly, with waste heat recovery adding a further 21.5 MW from process heat that would otherwise be lost.



PERFORMANCE IN FY 2025-26

761.50

Thermal power assets

Two-thirds

Of consolidated EBITDA
contributed by the energy business

Highest ever

Annual generation from both
thermal and hydro operations

79%

Plant load factor at Binjkot, with
availability at 84%



Hydro: Four stations across Sikkim, Chhattisgarh and Uttarakhand, ranging from 4.8 MW to 113 MW. Three operate under power purchase agreements running thirty to forty years with state distribution companies, giving the segment the most predictable earnings profile in the Company.

Solar: A 50 MW captive plant is under implementation, intended to reduce reliance on grid power at the manufacturing complex.

WHAT CHANGED DURING THE YEAR

Rehar entered service: The 24.9 MW station on the Rehar river commenced commercial operation in July 2025 under a forty-year agreement with the Chhattisgarh distribution company, lifting hydro generation to its highest recorded level.

Ownership was settled: The Supreme Court dismissed all appeals against the Company's resolution plan for SKS Power, removing the last legal question over the 600 MW thermal asset and clearing the way for its expansion.

Contracted capacity grew:

Medium and long-term agreements now cover a growing share of thermal output, reducing dependence on exchange prices that moved between ₹ 3.33 and ₹ 4.30 per unit across the year.

Efficiency was pursued alongside output: Variable frequency drives were installed at the power plant. During the four months one turbine was down for replacement, surplus units were exported to the exchange during peak-demand hours rather than left unrealised.

WHAT COMES NEXT

Thermal capacity is set to double at Binjkot from 600 MW to 1,200 MW, as a brownfield expansion where land, water, grid connectivity, coal handling and railway siding are already in place. Three small hydro projects in Chhattisgarh totalling 74 MW are progressing, alongside a 66 MW project in Arunachal Pradesh where forest clearance and critical land are secured. The captive solar plant follows, delayed by transmission right-of-way but expected within the coming year.

Mining

From supporting the plants to standing alone

Mining began at SEML as a way of securing what the plants needed. It is becoming something else. With four coal blocks in development alongside the one already operating, the business will hold approved capacity well beyond internal requirement, opening a commercial market alongside the captive one.

The strategic value is straightforward. A power plant that owns its coal is insulated from index movements that competitors must absorb. A pellet plant that owns its ore is insulated from grade shortages that others must buy through. Ownership converts a cost exposure into a controlled input.

PERFORMANCE IN FY 2025-26

17,99,998
tonnes

Coal produced at Gare Palma IV/7, the full permitted annual limit

1.80 MTPA

Approved capacity, raised during the year from 1.68 MTPA

Highest ever

Annual coal production recorded by the Company

Four

Additional coal blocks advancing through development



THE PORTFOLIO

Gare Palma IV/7, Chhattisgarh:

The operating coal block, producing at its full approved capacity and located beside the Binkot thermal plant it supplies. An integrated 1.80 MTPA washery beneficiates output before use, improving quality and reducing transport of material that would otherwise be discarded.

Rajnandgaon, Chhattisgarh: The captive iron ore mine supporting the pellet and sponge iron operations.

PT Tigadaya Minergy, Indonesia:

The overseas coal interest, which resumed operation during the previous year.

WHAT CHANGED DURING THE YEAR

Capacity was raised and then

reached: Consent to operate at 1.80 MTPA was received from the Chhattisgarh Environment Conservation Board, and production reached that ceiling exactly.

Gare Palma IV/5 advanced

substantially: Physical possession was taken in July 2025, the geological report prepared by CMPDIL was approved, the mining plan and mine closure plan were cleared by the Ministry of Coal, and the block is proposed for conversion from underground working to a 2.0 MTPA opencast operation.

Shahpur West progressed on

schedule: The explosive magazine was constructed and the PESO licence received. Other works progressing as per schedule.

Bartunga and Senduri moved through approvals:

Bartunga secured mining plan approval and terms of reference for environmental clearance, with EIA studies nearing completion. At Senduri, the development agreement was executed, a DGPS survey completed and a 67-borehole exploration plan approved.

WHAT COMES NEXT

Approved mining capacity is set to move towards 7.10 MTPA as the four blocks reach production, with Shahpur West expected first. A dedicated railway siding is under development to reduce evacuation cost from Gare Palma IV/7. Prospecting continues at the Surjagarh iron ore block in Maharashtra, where the composite licence was executed during the previous year.

The Company also continues to evaluate coal gasification, where government auctions of blocks earmarked for the purpose may create an additional route to value from the same resource.



Manufacturing

Where integration proves itself

Metals is the business on which the Company's reputation was built, and the one that demonstrates most clearly what integration delivers. During a year when steel realisations were subdued for most of the period, the manufacturing operations still recorded their highest-ever output across three product lines.

That outcome did not come from pricing. It came from owning the inputs. Iron ore from our own mine becomes pellets. Pellets become sponge iron. Sponge iron becomes billets, and billets become wire rods and wire. Power comes from our own plants at every stage. Roughly a third of pellet output and the large majority of sponge iron and billet output never reaches an external market, moving instead to the next process within the Company.

PERFORMANCE IN FY 2025-26

8,26,293 tonnes

Iron ore pellet production, the highest recorded

3,45,066 tonnes

Sponge iron production, the highest recorded

200,095 tonnes

Ferro alloy production across two locations

40,425 tonnes

HB wire production, the highest recorded





THE PRODUCT CHAIN

Pellets: Produced from iron ore fines at Raipur, with around a third consumed internally and the balance sold domestically.

Sponge iron: Made from captive iron ore lumps and pellets, with the large majority consumed internally.

Billets and wire rods: Semi-finished and hot-rolled products, the greater part flowing onward to the wire operations.

HB wire: Cold-drawn from wire rod to specified sizes, the most value-added step in the steel chain.

Ferro alloys: Ferro manganese and silico manganese produced at Raipur and Visakhapatnam across 147 MVA of installed furnace capacity.

Eco-bricks and mineral wool: Products made from what the other processes leave behind.

WHAT CHANGED DURING THE YEAR

New grades entered production: Low-phosphorus silico manganese and 6 mm ribbed TMT in coil form were introduced for specific customer requirements, extending the value-added end of both the alloy and steel ranges.

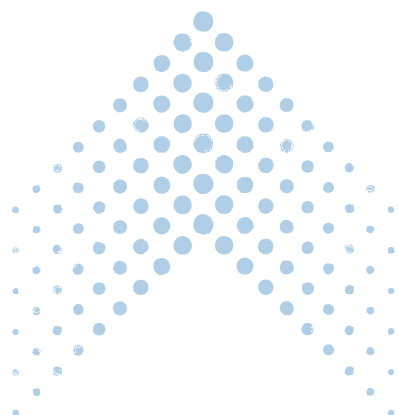
Mineral wool: Production from industrial waste, converting material that previously carried a disposal cost into a saleable product.

Efficiency work continued throughout.: Oil consumption during kiln light-up was cut by 40% through increased coal firing. Continuous casting was extended to 48 hours, improving refractory life. Various plant modification and efficiency activities were undertaken across operational sites.

Capacity was approved for expansion: The Board approved raising pellet capacity at Raipur from 0.9 to 2.0 million tonnes, with environmental clearance already in place.

WHAT COMES NEXT

The pellet expansion is timed against iron ore mines expected to open in Chhattisgarh over the next two to three years, positioning the Company to process additional ore as it becomes available. Work continues on securing long-term manganese resources to extend backward integration into the ferro alloy business, where raw material and power together determine competitiveness.



How the six capitals drive our value creation engine

At Sarda Energy & Minerals Limited, sustainable success is driven by an integrated approach to value creation, anchored in six interconnected capitals: Manufactured, Intellectual, Financial, Stakeholder, Human and Natural. Together, these capitals form the foundation of our value creation strategy. Each represents a critical resource that strengthens our ability to operate efficiently, adapt to change, pursue responsible growth and create lasting value for our stakeholders.

By investing in and responsibly managing these capitals, we continuously enhance our operational capabilities, foster innovation, develop our people, strengthen relationships, optimise financial resources and protect the natural systems on which our business depends. The interplay between these capitals creates a powerful value engine, enabling us to translate resources and capabilities into sustainable performance, resilience and long-term growth.



FY 2025-26 AT A GLANCE

₹ 1,109 Crore

Record Consolidated Profit

34.20%

EBITDA Margin

₹ 2,025 Crore

Consolidated EBITDA

930 MW

Energy Portfolio



Manufactured Capital

Our manufactured capital comprises production facilities, mining assets, processing units and power-generation capabilities that form the physical backbone of SEML's integrated operations. These assets enable the Company to convert natural resources and raw materials into value-added products while supporting reliable production, efficient resource utilisation and operational continuity across the value chain. Through continuous maintenance, modernisation, technology adoption and capacity enhancement, SEML seeks to improve asset performance, strengthen productivity and extend the productive life of its infrastructure. The ongoing development of manufacturing and energy capabilities also provides a strong platform for future growth, greater operational resilience and long-term value creation.

ASSETS THAT HAND WORK TO EACH OTHER

Five decades ago, we were a pure-play steel company. Today energy contributes roughly two-thirds of consolidated earnings, mining is becoming a business in its own right, and metals is the beneficiary of both.

That order matters, because it is the order in which value moves through our asset base. Power comes first in our portfolio, whereby from coal we mine ourselves, from heat recovered off our own processes. Mining supplies that power and secures the ore. Metals convert what the first two provide into pellets, sponge iron, billets, wire and alloys.

The commercial consequence is straightforward. A power plant that owns its coal is insulated from index movements that competitors must absorb. A furnace that owns its power is insulated from tariff movements. A pellet plant that owns its ore is insulated from grade shortages others must buy through. Integration converts a series of market exposures into a set of controlled inputs.

We invest continuously in this asset base thereby preventive maintenance, technology adoption, process optimisation and brownfield expansion with two objectives - Raise utilisation of what exists and Extend the productive life of what we have already built.

OPERATIONAL LOCATIONS

Energy

Thermal



Binjkot, IPP

Capacity:

600 MW (2 × 300 MW)



Siltara, captive

Capacity:

81.5 MW, including 21.5 MW waste heat



Visakhapatnam, captive

Capacity:

80 MW

Hydro



Rongnichu, Sikkim

Capacity:

113 MW



Rehar, Chhattisgarh

Capacity:

24.9 MW



Gullu, Chhattisgarh

Capacity:

24 MW



Loharkhet, Uttarakhand

Capacity:

4.8 MW

Mining



Gare Palma IV/7 coal mine

Capacity:

1.80 MTPA



Coal washery, Raigarh

Capacity:

1.80 MTPA



Rajnandgaon iron ore mine

Capacity:

1.50 MTPA

Metals



Iron Ore Pellets

Capacity:

9,00,000 MT



Sponge Iron

Capacity:

3,60,000 MT



Steel Billets

Capacity:

3,00,000 MT



Wire Rods

Capacity:

2,50,000 MT



HB Wire

Capacity:

45,000 MT



**Ferro Alloys,
Visakhapatnam**

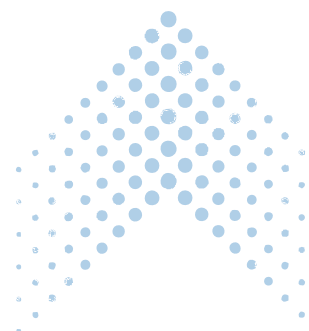
Capacity:

102 MVA

Ferro Alloys, Raipur

Capacity:

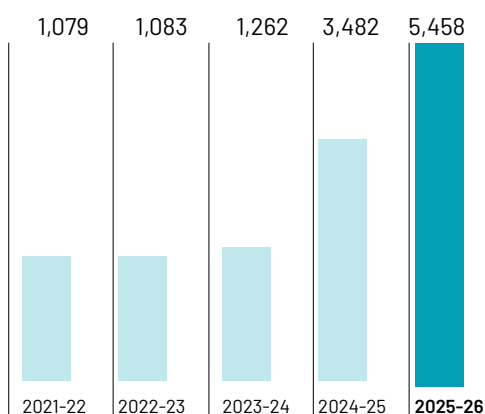
45 MVA



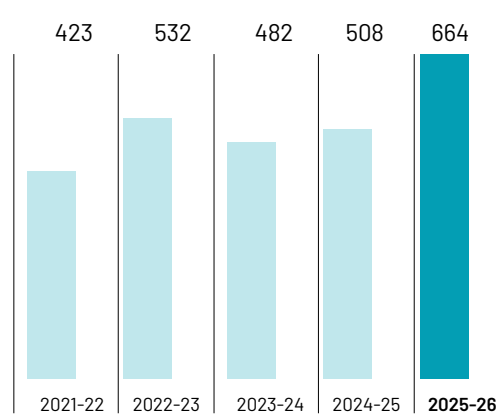
THE RECORD, AND WHAT SITS BEHIND IT

Energy generation more than quadrupled over five years. Coal production more than doubled. And in metals, four product lines reached their highest-ever output in a year when average steel realisations stayed below the previous year for most of the period.

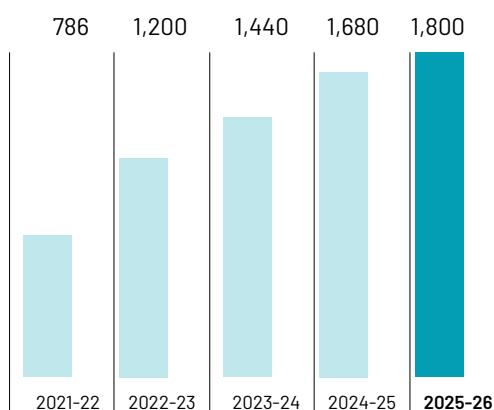
Thermal power (Mn kWh)



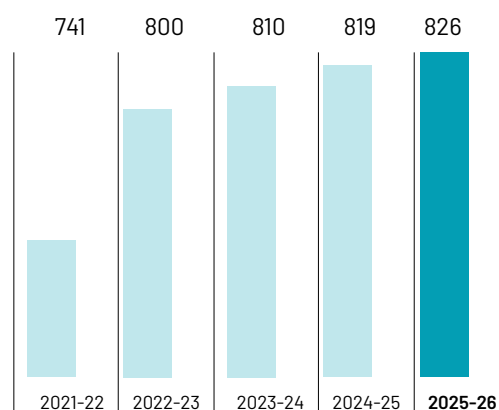
Hydro power (Mn kWh)



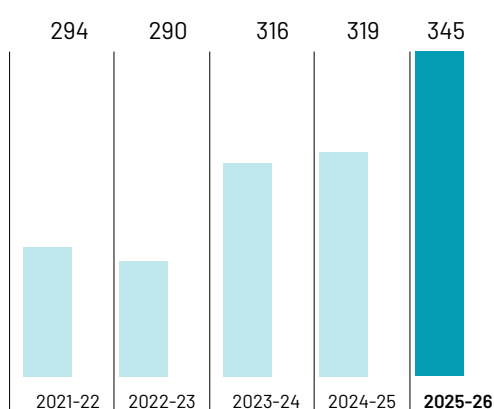
Coal, domestic ('000 MT)



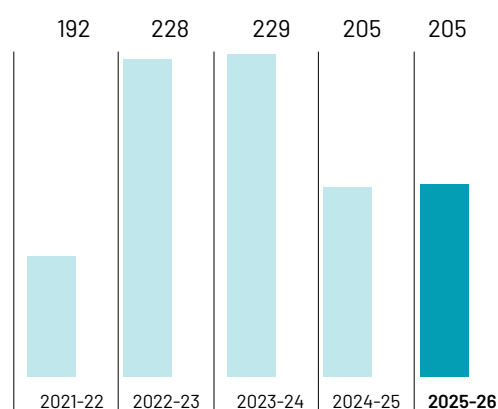
Iron ore pellets ('000 MT)

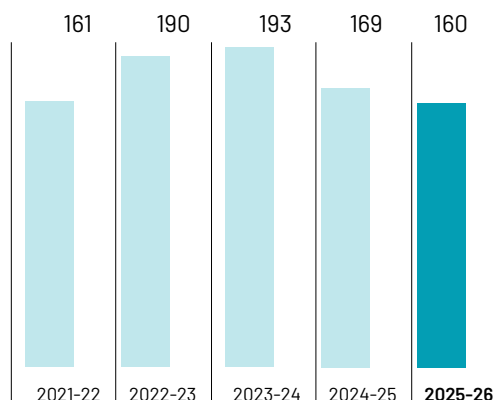
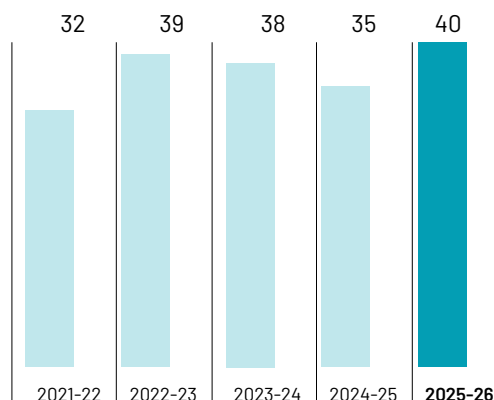
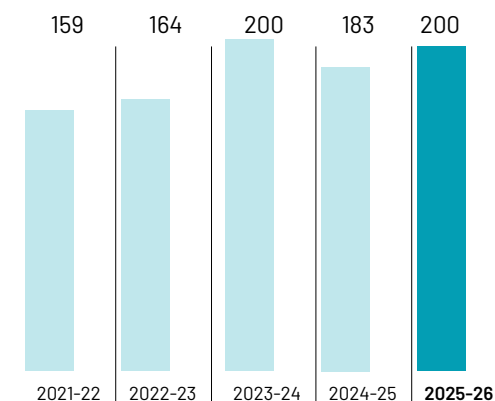


Sponge iron ('000 MT)



Steel billets ('000 MT)



Wire rods ('000 MT)**HB WIRE ('000 MT)****Ferro alloys ('000 MT)****WHERE THE ASSET BASE RAN HARD, AND WHERE IT DID NOT**

Asset	PLF for FY 25-26
Binjkot thermal, IPP	79%
Gullu hydro	58.81%
Loharkhet hydro	48.60%
Rongnichu hydro	44%
Rehar hydro	38.58%

Gare Palma IV/7 operated at 100% of its approved 1.80 MTPA capacity.

Product	Capacity	Production	Utilisation
Sponge iron	3,60,000 MT	3,45,066 MT	96%
Iron ore pellets	9,00,000 MT	8,26,293 MT	92%
HB wire	45,000 MT	40,425 MT	90%
Steel billets	3,00,000 MT	2,04,827 MT	68%
Wire rods	2,50,000 MT	1,60,498 MT	64%

OWNING THE INPUT, AND KNOWING WHEN NOT TO

Integration is usually presented as an absolute. In practice it is a choice exercised each year, and this year we exercised it differently in one place.

Energy security: Captive thermal at Siltara and Visakhapatnam, 21.5 MW of waste heat recovery and the hydro portfolio together reduce our exposure to

purchased power. Electricity is among the largest cost components in ferro alloy production.

Coal: Gare Palma IV/7 produced at full approved capacity, with 14,65,781 tonnes consumed captively at the thermal plant. The integrated washery beneficiates output before use, which improves quality and avoids transporting material destined for discard. Four further blocks are in development.

Iron ore: Our captive mine at Rajnandgaon supports the pellet and sponge iron operations. During FY26 we supplemented captive ore with purchased ore as availability improved in the market thereby captive consumption reduced to 1,53,773 MT from 3,30,214 MT. Ownership gave us the option. Market conditions made using it less attractive than buying. Both are integration working properly.

WHAT WE ARE BUILDING NEXT

Thermal power from 600 MW to 1,200 MW at Binjkot

The Company proposes to expand the independent power plant at Binjkot from the present 2×300 MW configuration to 4×300 MW, taking installed capacity at the site to 1,200 MW. The expansion is being undertaken on a brownfield basis at the existing location. Land required for the additional units is already held, water availability is established, grid connectivity is in place, and coal handling facilities and the railway siding built for the operating units are capable of supporting the expanded plant. These factors are expected to shorten the execution timeline and improve capital efficiency relative to a greenfield project of comparable size. Environmental clearance for the expansion is currently



under process, and capital deployment is expected to gather pace following receipt of the required statutory approvals.

Hydro power of 141 MW under development

Four hydropower projects are at various stages of development. Three are located in Chhattisgarh with a combined capacity of 74 MW. The fourth is a 66 MW project at Rahung village in Arunachal Pradesh, situated on the Gang River, where the Company has acquired a majority stake in the project company. Together these projects will take hydro capacity from the present 166.7 MW to approximately 309 MW on completion.

Solar power of 50 MW captive at Kharora

A 50 MW captive solar plant is under implementation at Kharora to reduce reliance on grid power at the manufacturing complex. Commissioning has been delayed on account of right-of-way issues affecting the transmission line, and the plant is now expected to be commissioned before the end of the third quarter of FY 2026-27.

30 MW turbine generator replacement

The replacement of an existing 30 MW turbine generator with an energy-efficient unit is in the final stages of erection. Commissioning is expected in August 2026. The new unit is expected to reduce specific energy consumption while increasing generation from the same installation.

Coal mining

Approved coal mining capacity is expected to rise from the present 1.80 MTPA to 7.10 MTPA as four additional blocks reach production. Shahpur West and Senduri each carry approved capacity of 0.60 MTPA. Gare Palma IV/5 is proposed at 2.00 MTPA following its conversion from underground working to an opencast operation. Bartunga carries 2.10 MTPA and is being developed through a joint venture in which the Company holds a 67% interest. Development is most advanced at Shahpur West, which is expected to commence production first.

Pellets plant from 0.9 to 2.0 MTPA at Raipur

An addition of 1.1 million tonnes at approximately ₹ 500 crore, with environmental clearance already obtained and the detailed project report under preparation. The timing is deliberate: several iron ore mines are expected to open in Chhattisgarh over the next two to three years, and we intend to have the processing capacity ready when the ore becomes available.



Intellectual Capital

Sarda Energy has developed a strong foundation of intellectual capital, combining deep industrial expertise, technical knowledge, digital capabilities, robust process systems and a culture of continuous improvement across its energy, mining and metals businesses. The Company's experience and integrated operations enable teams to address complex operational challenges, optimise processes and strengthen asset performance.

This intellectual capital supports product quality, operational efficiency, innovation and informed decision-making. The adoption of automation, digital monitoring, data-driven approaches and process improvements enables SEML to enhance productivity, conserve resources, improve safety and respond to evolving technologies and market requirements.

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 i.e. iron ore pellets, sponge iron, 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 centralised process controls enable the Company to respond instantly to process deviations or anomalies, an essential capability in high-stakes metals and energy operations.

During FY 2025-26 this capability was extended further. An ultrasonic monitoring system was implemented for equipment health assessment, enabling predictive maintenance, early fault detection and reduced unplanned downtime. Variable frequency drives were installed in the power plant to optimise motor operation and reduce power consumption.



INTEGRATED DIGITAL PLATFORMS AND CYBERSECURITY

SEML's operational excellence is supported by a secure digital backbone that enables seamless information flow, faster decision-making and greater transparency. Its centralised SAP ERP system, upgraded from ECC 6.0 to S/4HANA using SAP Activate and ASAP methodologies, integrates supply chain, procurement, finance, HR and production data. Microsoft Outlook, Slack and a dedicated employee portal further strengthen collaboration and information sharing.

Cybersecurity and data integrity are reinforced through layered access controls, network monitoring, regular backups, system audits, independent security assessments and periodic threat-risk reviews. A business continuity and disaster management plan supports operational resilience, while information security remains a continuing management priority across SEML's connected digital ecosystem.



QUALITY ASSURANCE, R&D AND PRODUCT INNOVATION

SEML combines rigorous quality systems with continuous product and process innovation. ISO 9001:2015 certification across key manufacturing units, supported by a NABL-accredited laboratory and dedicated Quality Assurance teams, ensures stringent monitoring from raw material receipt to final dispatch. Digital controls and metallurgical checks at critical stages strengthen traceability, compliance and consistency.

During FY 2025-26, the Company developed and commercialised low-phosphorus silico manganese and 6 mm ribbed TMT in coil form in response to specific customer requirements. Process innovation included commissioning a producer gas plant for pelletisation, reducing dependence on high-grade coal, and converting industrial waste into saleable mineral wool through in-house capability. Manufacturing capacity was further strengthened through the addition of three HB wire machines and two straightening machines.



Financial Capital

At SEML, we are committed to creating sustainable value for our stakeholders. Supported by disciplined capital allocation and strong cash generation, we reduced net debt while funding growth. We are strengthening our business through brownfield expansion across energy, mining and metals, building capacity that supports India's industrial growth.

₹5,928 Crore

Consolidated Total
Income

₹2,025 Crore

Consolidated EBITDA

19.50%

Return on Capital Employed

MANAGEMENT APPROACH

We prioritise disciplined capital allocation, strong liquidity and conservative leverage to fund growth through the cycle. Capital expenditure is sized against internal cash generation rather than borrowing capacity, and projects are sequenced so each contributes before the next major commitment is made.

Our prudent financial management enables us to:

- Fund expansion primarily through internal accruals
- Maintain net debt well within one time EBITDA
- Preserve liquidity ahead of commitment
- Sustain a strong Return on Capital Employed
- Retain a cushion for contingencies throughout the cycle

ECONOMIC PERFORMANCE

During the year under review, consolidated revenue from operations stood at ₹ 5,690 crore against ₹ 4,643 crore in FY 2024-25, an increase of 22.6%. Total income rose 23.1% to ₹ 5,928 crore. Consolidated EBITDA reached ₹ 2,025 crore compared with ₹ 1,410 crore, while profit after tax grew 58.0% to ₹ 1,109 crore against ₹ 702 crore in the previous year.

The improvement was driven principally by the energy business, which contributed approximately two-thirds of consolidated EBITDA. The 600 MW thermal asset contributed for a full twelve months during FY 2025-26 against approximately seven months in the prior year, and this, together with record hydropower generation and the addition of the Rehar project, lifted energy earnings materially.

Disciplined capital management and efficient resource allocation enabled a Return on Capital Employed of 19.50%. Capital expenditure during the year was funded entirely from internal cash generation, with operating cash flow of ₹ 1,735 crore against investing outflow of ₹ 1,166 crore.

IMPACT OF DELEVERAGING

Over the past two years the Company has strengthened its balance sheet substantially while simultaneously funding a significant investment programme. Consolidated net debt declined from approximately

₹ 1,566 crore at March 2025 to ₹ 215 crore at March 2026, while gross debt reduced from ₹ 2,823 crore to ₹ 2,595 crore.

On a standalone basis SEML remains net cash positive, with net debt of negative ₹ 453 crore. CRISIL reaffirmed the long-term rating at AA- and revised the outlook to Positive, with a short-term rating of A1.

We intend to maintain this approach by funding growth primarily through internal accruals and existing liquidity, while preserving conservative leverage throughout the cycle.

WHY THE BALANCE SHEET MATTERS NOW

Most industrial companies face a choice between growing and deleveraging. During FY 2025-26 we did both, and the sequencing explains how.

Operating cash generation nearly doubled while the investment programme continued uninterrupted. Every rupee of capital expenditure came from cash the business produced, leaving borrowings free to fall rather than fund the growth.

That combination is what makes the next phase possible. Doubling thermal capacity, quadrupling coal mining and more than doubling pellet output would strain a leveraged balance sheet. Against near-zero net debt and substantial liquidity, it becomes a question of execution rather than financing.

85%+

Reduction in net debt during FY 2025-26

0.11x+

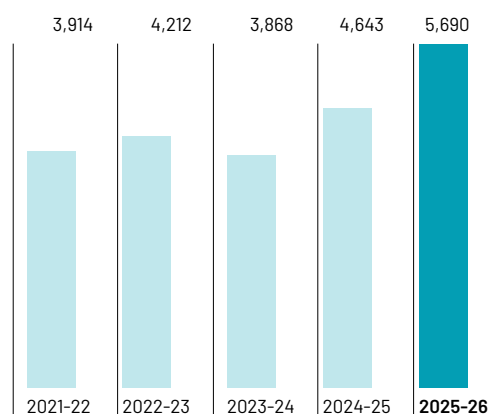
Net Debt to EBITDA

CAPITAL EXPENDITURE

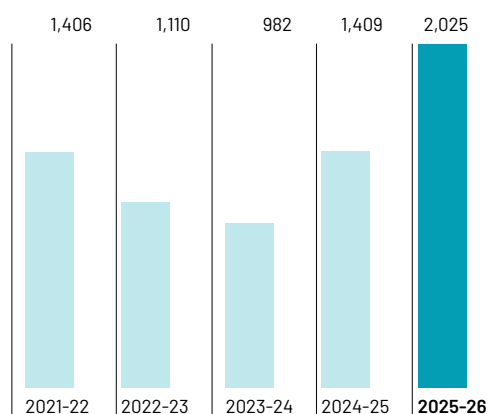
Our strengthened balance sheet provides the foundation for the next phase of growth. Expansion is under way across all three businesses by doubling thermal capacity at Binjot, taking coal mining capacity from 1.80 to 7.10 MTPA and more than doubling pellet capacity at Raipur. Each project is brownfield, sited on land we already hold beside infrastructure already built.

Consolidated Performance

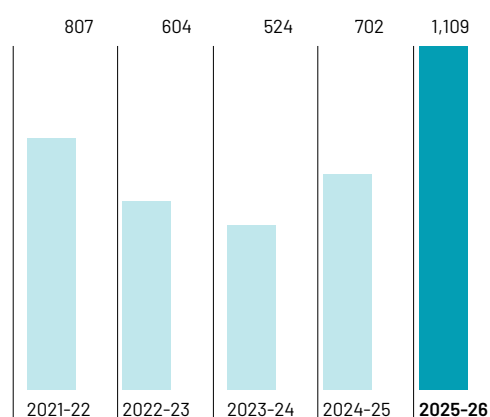
Revenue from operations (₹ in crore)



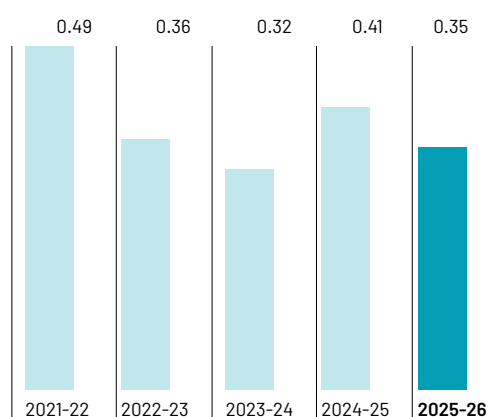
EBITDA (₹ in crore)

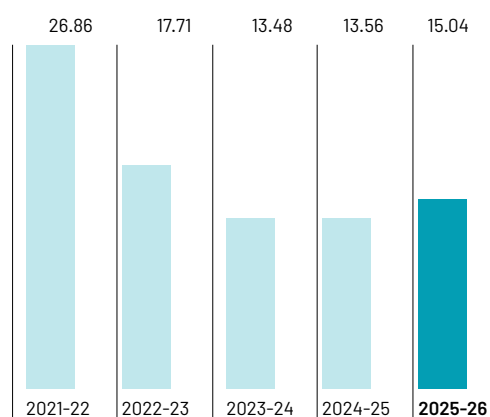
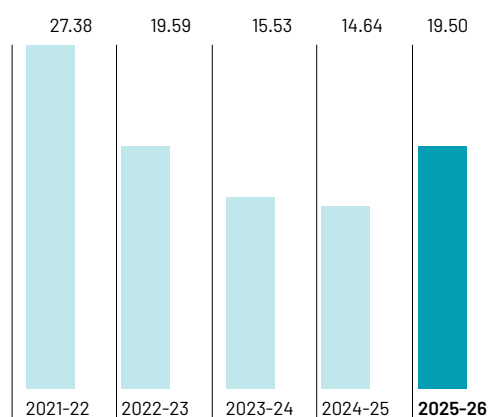
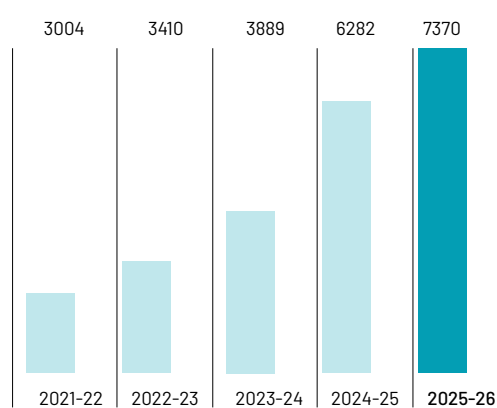
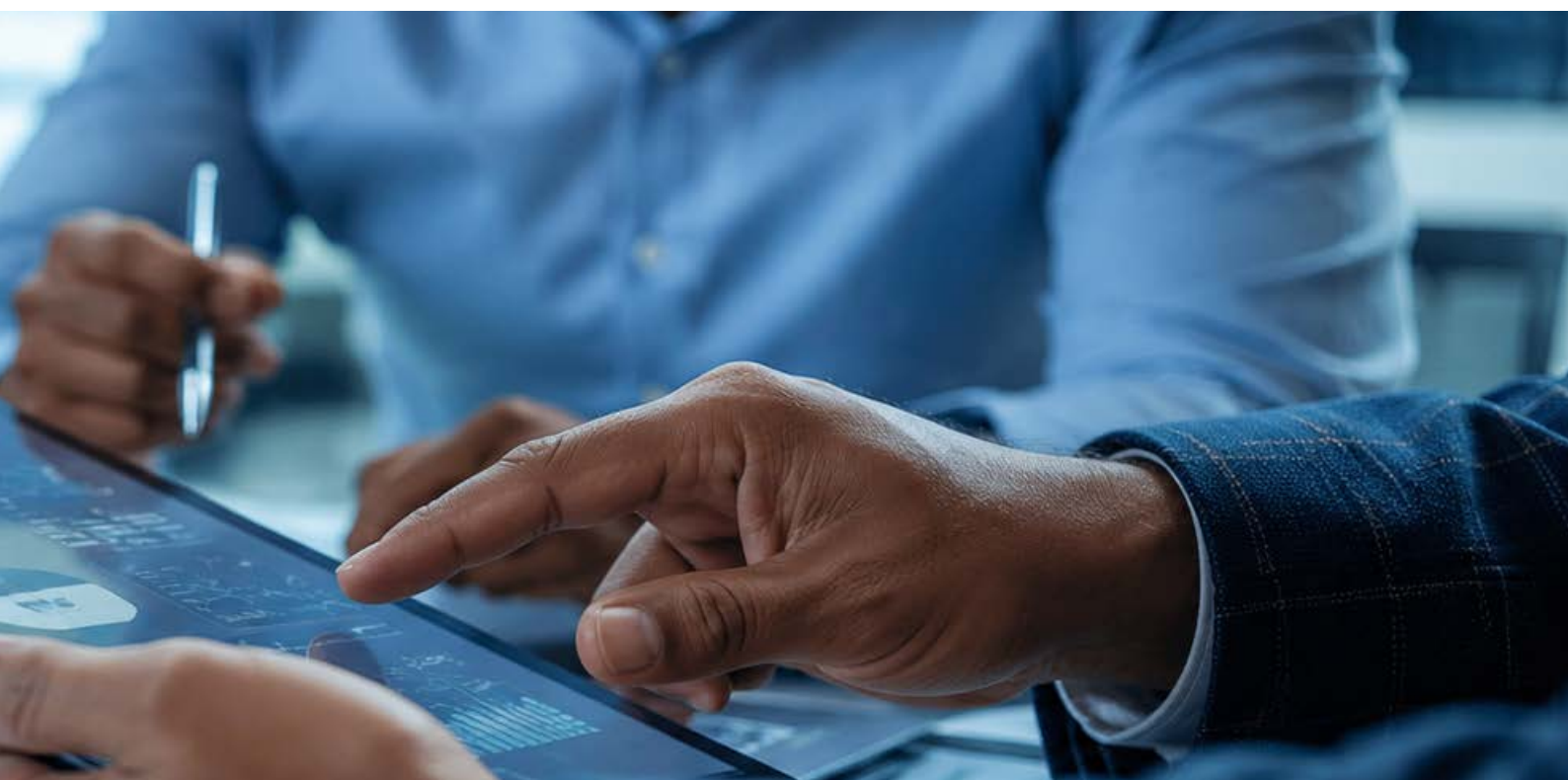
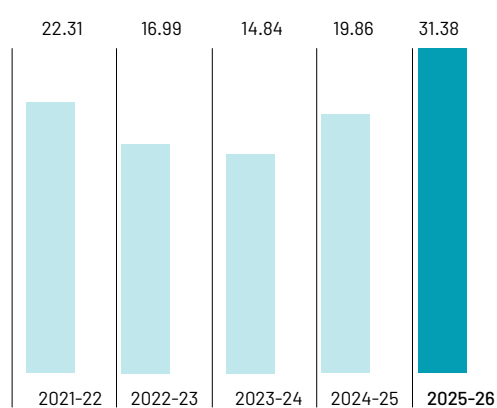


Profit after tax (₹ in crore)



Debt to equity (Times)



Return on equity (%)**Return on capital employed (%)****Networth (₹ in Crore)****EPS (₹)**



Social and Relationship Capital

Our success is built not in isolation but through partnerships with the people who make operation possible – communities living around our mines and plants, customers who depend on our supply, suppliers who provide critical inputs, regulators who license our activity, and the lenders and shareholders who fund our growth.

Each of these relationships is driven by trust, responsibility and the ambition to build sustainable value. As we expand across energy, mining and metals, our engagement remains rooted in mutual growth, transparency and long-term commitment.

SHARING SUCCESS WITH COMMUNITY

We see ourselves not only as industrial contributors but as social catalysts. Our CSR work is rooted in creating opportunity, enabling livelihoods and improving quality of life for the communities around us and it is deliberately concentrated where our operations sit, in the villages surrounding our operations.

Enabling better healthcare

Where medical infrastructure is limited, we bring the service to the village. Mobile medical vans provide doorstep consultation with free medicine and doctors. Eye screening camps distribute spectacles alongside diagnosis. Physiotherapy assessment and correction camps address conditions that would otherwise go untreated, and awareness drives extend into preventive health.

To maximise reach and relevance, we partner with credible NGOs, panchayats, district administrations and local institutions. Programmes are aligned to regional development priorities, with impact measurement and stakeholder dialogue forming an ongoing part of our CSR governance.

10,265

Patients reached through mobile healthcare

8,144

Beneficiaries of eye-care camps

3,172

People covered by physiotherapy camps



Empowering through education

Education fuels transformation. Our efforts focus on reducing dropout rates, supporting school infrastructure and enabling classroom learning in rural and tribal areas. The Ekal Vidyalaya network we support through Friends of Tribal Society in Rajnandgaon district covers tribal students from first to eighth standard.

Beyond foundational schooling, we deliver technology training to school students up to twelfth class, run career counselling camps, and fund higher education for bright students from the community. Eleven community teachers are supported in government schools across our CSR villages, and specialised support reaches deaf and dumb students at Kopalwani.

We also supported the establishment of the Antariksha Sangwari Kendra at Raipur through the Igniting Dreams of Young Minds Trust, building student interest in space technology and science, an initiative by the District Collector, Raipur.

Investing in livelihoods

Income generation training for Self Help Group members ran across sewing and mushroom cultivation programmes during the year, targeting rural women and young women seeking an independent source of income.

The Netritva Sadhana Kendra, initiated by the District Collector of Raipur, prepares economically disadvantaged candidates for competitive examinations. This year the programme converted preparation into placement for a meaningful proportion of those enrolled.

225

Women supported through livelihood training

110

Students supported at Netritva Sadhana Kendra, of whom 13 were placed



Community safety and wellbeing

Safety awareness extends from our plants into the communities around them. Road and fire safety programmes ran across eight village schools during the year. Self-defence training was delivered to girl students at Tada and Siltara. Forty social awareness drives addressed issues requiring collective community action, and an HIV/AIDS awareness programme extended preventive health education.

Infrastructure support included potable drinking water supply at Siltara and Mandhar, while mass marriage support was extended to eleven Divyang couples.

1,275

Students participated in safety initiatives

1,002

Women participated across 40 awareness drives



Recognition for community impact

External recognition confirms what the beneficiary numbers indicate. During the year our social initiatives were recognised through the Think So Social Impact Award from UNICEF, Alliance for Behavioral Change and Sarvahitam, Raipur, for the Adarsha Bal Gram and Garima projects.

BUILDING LASTING CUSTOMER RELATIONSHIPS

Our customers drive our purpose. We serve a diverse clientele across the product value chain i.e. from power buyers on energy trading exchanges to industrial clients in core sectors.

We believe in offering not just products but reliable solutions backed by consistent quality and responsive service. Engagement runs through customer meetings, plant visits, quality feedback loops, MSDS documentation on exports and advance intimation of any supply disruption. During planned shutdowns this year, stock was built ahead and customers notified early, so supply held steady.



RESPONSIBLE ENGAGEMENT WITH REGULATORS

Regulatory alignment goes beyond compliance. It is an ongoing commitment to responsible and forward-looking operations, and 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, labour and safety norms. Engagement runs through filings, inspections, clearance processes and industry association participation.

PARTNERING WITH OUR SUPPLIERS

Suppliers hold a key position in our value chain, enabling smooth operations across mining, manufacturing and energy. 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. Contractor safety induction extends our workplace standards to partner personnel on site, and payment cycles and contract terms were held steady through the year. No supplier grievance was received.

TRUSTED BY OUR LENDERS AND SHAREHOLDERS

Our capital strength is reinforced by the confidence of our financial partners. We maintain strong, transparent relationships with banks and financial institutions that support our strategic ambitions, from capacity expansions to renewable investments.

Investor engagement runs through the Annual Report, general meetings, quarterly disclosures and earnings calls, with SCORES and SMART ODR available for grievance redressal. Regular reviews, disclosures and performance updates help us maintain financial discipline and credibility.

COMPLIANCE AND REGULATORY ENGAGEMENT

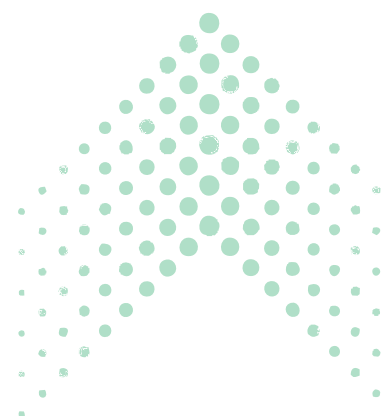
Our operations are governed by consents and clearances carrying obligations that continue through the life of the asset. We maintain a register of applicable approvals, track conditions against defined responsibilities, and engage with authorities during renewals, expansions and inspections. Environmental clearances for planned capacity additions are pursued ahead of capital deployment.

₹ 70.48 Crores

Dividend outgo

73.16%

Promoter shareholding





Human Capital

Our people are central to our ability to operate safely, efficiently and responsibly across our energy, mining and metals businesses. We focus on building a skilled, engaged and future-ready workforce through continuous learning, technical capability development and on-the-job experience.

Sustained business performance depends on the knowledge, commitment and adaptability of our employees. By encouraging continuous improvement, knowledge sharing and participation, we enable our people to contribute to operational excellence and during the year that contribution was recognised.

1,576

Employees as at 31st March 2026

TERMS OF EMPLOYMENT

We place strong emphasis on employee orientation and wellbeing. Our policies are designed to value and incentivise strong performance while prioritising retention, and our commitment to high standards of employee welfare is reflected in an employee-centric framework of benefits and supportive workplace practices.

Through our Remuneration Policy, welfare measures, career growth pathways and training programmes, we work to protect human rights while supporting professional development.

₹4.50 Crore

Employee welfare spends

100%

Employees covered under health and accident insurance



BUILDING CAPABILITY

Learning at SEML is a continuous process rather than an event. Through structured training sessions, safety workshops and skill-based learning modules, we work to keep our teams relevant, agile and prepared for future demands.

Capability building extends across all levels – from technical training for shopfloor workers to safety drills and leadership assessments for senior personnel. During the year, employees and workers underwent comprehensive health and safety training, supporting preparedness and operational vigilance.

On-the-job learning and structured knowledge sharing help employees apply new skills directly in their roles, while cross-functional exposure prepares them for broader responsibilities as the business expands across energy, mining and metals.



3.70

Training man-days achieved



PERFORMANCE WITH ACCOUNTABILITY

Every employee is given a voice, and every performance is valued. We operate a performance management system built to promote transparency, reward outcomes and identify future leaders.

Structured appraisals and regular feedback mechanisms support a culture of responsibility and forward momentum. Coverage under formal review widened materially during the year, extending the system to nearly the entire workforce.

98%

Performance review coverage, up from 77% in the previous year



RECOGNITION EARNED ON THE SHOP FLOOR

The clearest measure of capability is what our teams achieve when tested against external standards.

Quality Circle teams from SEML competed at the Chapter Convention on Quality Concepts at Bhilai, where every participating team of the Company secured a Gold Award and qualified for the national stage. At the National Convention on Quality Concepts in Noida, teams were rated in the two highest categories available.

These are operators and engineers presenting solutions to problems they identified themselves – capability residing with the people running the plant rather than with a central function.

10 Gold Awards

CCQC-2025, Bhilai

9 teams

Recognised at NCQC-2025, Noida



SAFETY AND WELLBEING

Safeguarding the health and safety of our workforce is a core value rather than a compliance measure. We adopt a zero-compromise approach backed by routine audits, targeted training and proactive wellness initiatives.

An occupational health and safety management system operates across our facilities, built on the principle of Zero Incidents. The system covers defined hazard identification and risk assessment procedures for both routine and non-routine activities, timely incident reporting, root cause investigation, and deployment of lessons learned to prevent repetition.

Safety training extends to contractor workers alongside employees. Operational sites undergo regular safety inspections, and safety audits are conducted by independent teams with compliance review following. Regular health check-ups and in-house medical facilities support the workforce directly.

All employees and workers are covered under comprehensive health insurance and personal accident policies.

ISO 45001

Standard to which our health and safety management system is aligned



ENGAGEMENT AND INCLUSION

We work to create a workplace where everyone, regardless of gender or ability, is respected and supported. Hiring and engagement practices are designed around that principle.

Open communication between management and employees supports harmonious industrial relations and encourages active participation in the organisation's growth. Employees are encouraged to share ideas, join improvement initiatives and take ownership of their roles.

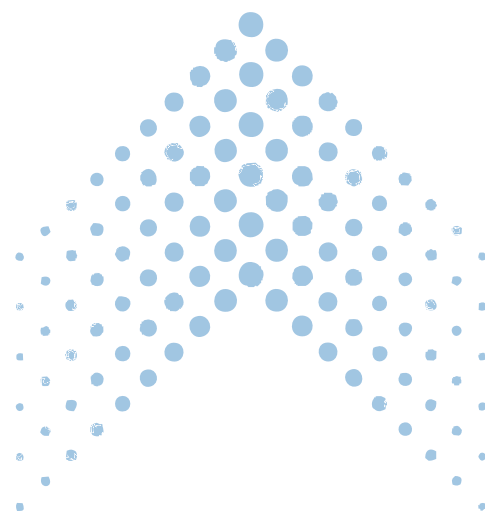
The Company maintains PoSH compliance and operates a vigil mechanism providing a route for concerns to be raised. Guidance on equality and non-discrimination forms part of the employee framework.

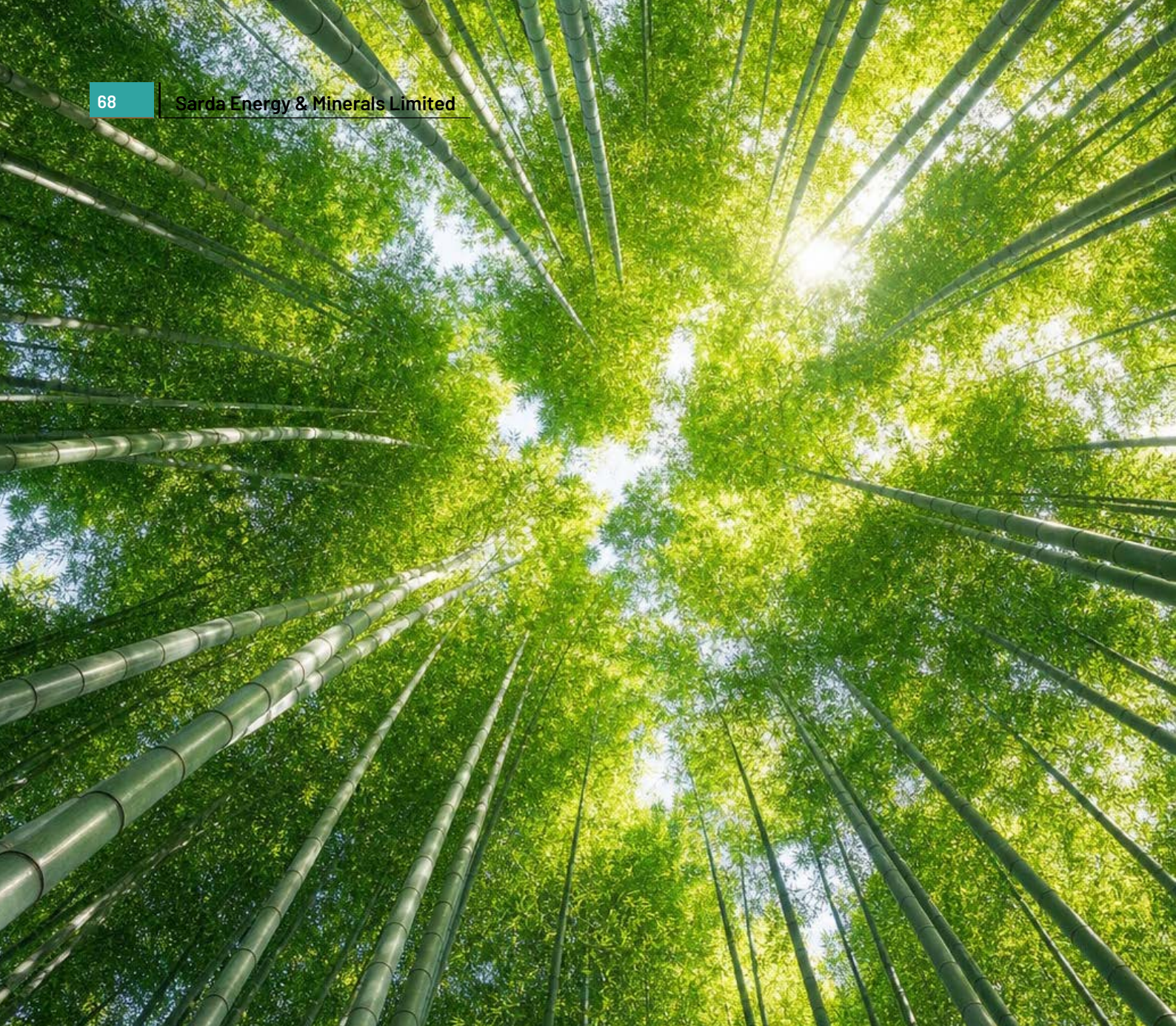
Workplace culture is reinforced through festive celebrations and shared activities including indoor and outdoor sports, participation in external tournaments, and environmental initiatives.

HUMAN RIGHTS

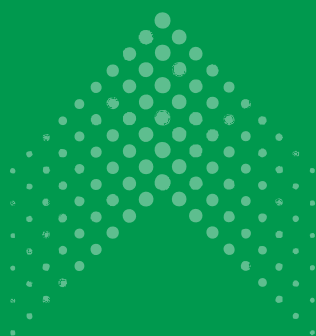
Our commitment to workplace dignity is supported by a human rights policy, awareness programmes, grievance redressal mechanisms, supplier due diligence and periodic compliance training.

Our 'no child labour' policy reaffirms our commitment to ILO Convention No. 182 and the United Nations Convention on the Rights of the Child. All prospective employees must provide age verification documentation with their application, and any applicant under the age of 18 is automatically disqualified. The policy applies equally to contract labour, and we ensure that suppliers and service providers adhere to regulations prohibiting child labour, with specific clauses included in our contracts to enforce this requirement.





Natural Capital



At SEML, we recognise that long-term growth is closely linked to the responsible management of natural resources. Our businesses across energy, mining and metals depend on the availability and efficient utilisation of minerals, water, land and energy, which makes environmental stewardship an operating discipline rather than a parallel commitment.

Our approach rests on a simple principle: material that leaves one process should enter another. Fly ash becomes brick feedstock. Slag returns to the furnace. Process heat becomes electricity. Treated effluent irrigates plantation. Where a residue can be converted into an input, we convert it.

MANAGING NATURAL RESOURCES RESPONSIBLY

Our integrated business model provides an important advantage. Captive iron ore and coal resources support the availability of critical raw materials, while the integration of mining, power generation and manufacturing enable better coordination across the value chain.

The commercial and environmental logic align. Coal that travels from our own pit to our own boiler avoids transport emissions as well as market exposure. Ore beneficiated at our own washery before use avoids transporting material destined for discard. Efficiency of this kind reduces both cost and footprint.

We continue to focus on improving resource efficiency, strengthening raw material security, reducing avoidable losses and managing the environmental impacts associated with our operations.

Key focus areas

- Responsible mineral extraction
- Captive resource development
- Efficient utilisation of raw materials
- Process optimisation and material recovery
- Waste heat recovery
- Responsible land management
- Environmental monitoring
- Continuous improvement

RESOURCE SECURITY AND RESPONSIBLE EXTRACTION

Captive mineral resources form an important component of our operating model. Access to captive iron ore and coal strengthens supply security and supports greater control over critical inputs.

Mining activities are undertaken with a focus on responsible resource development, regulatory compliance and progressive environmental management. During FY 2025-26, the Gare Palma IV/7 coal mine operated at its approved capacity of 1.80 MTPA.

An integrated washery of matching capacity beneficiates coal before use, improving quality and reducing emissions at the point of combustion.



Zero

Liquid discharge across all plants

100%

Waste utilisation targeted through waste-to-wealth programmes

70 kld

New sewage treatment capacity added during FY 2025-26

ENERGY EFFICIENCY AND CLEANER OPERATIONS

Energy is our largest environmental exposure and our most active area of intervention. During FY 2025-26 the emphasis was on substitution by replacing a fuel, a vehicle or a piece of equipment with a cleaner alternative where one existed at comparable cost.

Producer gas replaces coal

A new Producer Gas Plant was commissioned at the pellet plant to generate clean producer gas as pelletisation fuel, reducing dependence on high-grade coal while supporting process requirements.

Diesel eliminated from internal logistics

All twelve diesel-operated loaders were replaced with electric loaders, and five EV trailers were deployed for internal raw material movement, eliminating tailpipe emissions from internal material handling.

Turbine replacement under way

The existing turbine generator is being replaced with an energy-efficient unit that will reduce specific energy consumption while increasing generation from the same installation. Commissioning is expected in August 2026.

Efficiency at the equipment level

Variable frequency drives were installed in the power plant to optimise motor operation. Oil consumption during kiln light-up was reduced by 40% by increasing coal firing to compensate, cutting light-up time and improving fuel efficiency.



WATER STEWARDSHIP

Water is essential across our mining, manufacturing and power operations, and our position on it is unambiguous.

Zero Liquid Discharge is maintained across all plants. No process effluent leaves our facilities. All treated water is recycled and reused within the plant boundary.

Three sewage treatment plants were installed during FY 2025-26, with treated water directed to gardening and plantation rather than discharge:

- 20 KLD at the power plant
- 40 KLD at the pellet plant
- 10 KLD at the corporate office

One of our facilities is located in a water-stressed area, at Raigarh, where withdrawal, consumption and discharge are separately monitored and reported. We disclose this because managing a water-intensive process in a water-stressed district is a material issue, and identifying it is the first condition of managing it well.

AIR EMISSION MANAGEMENT

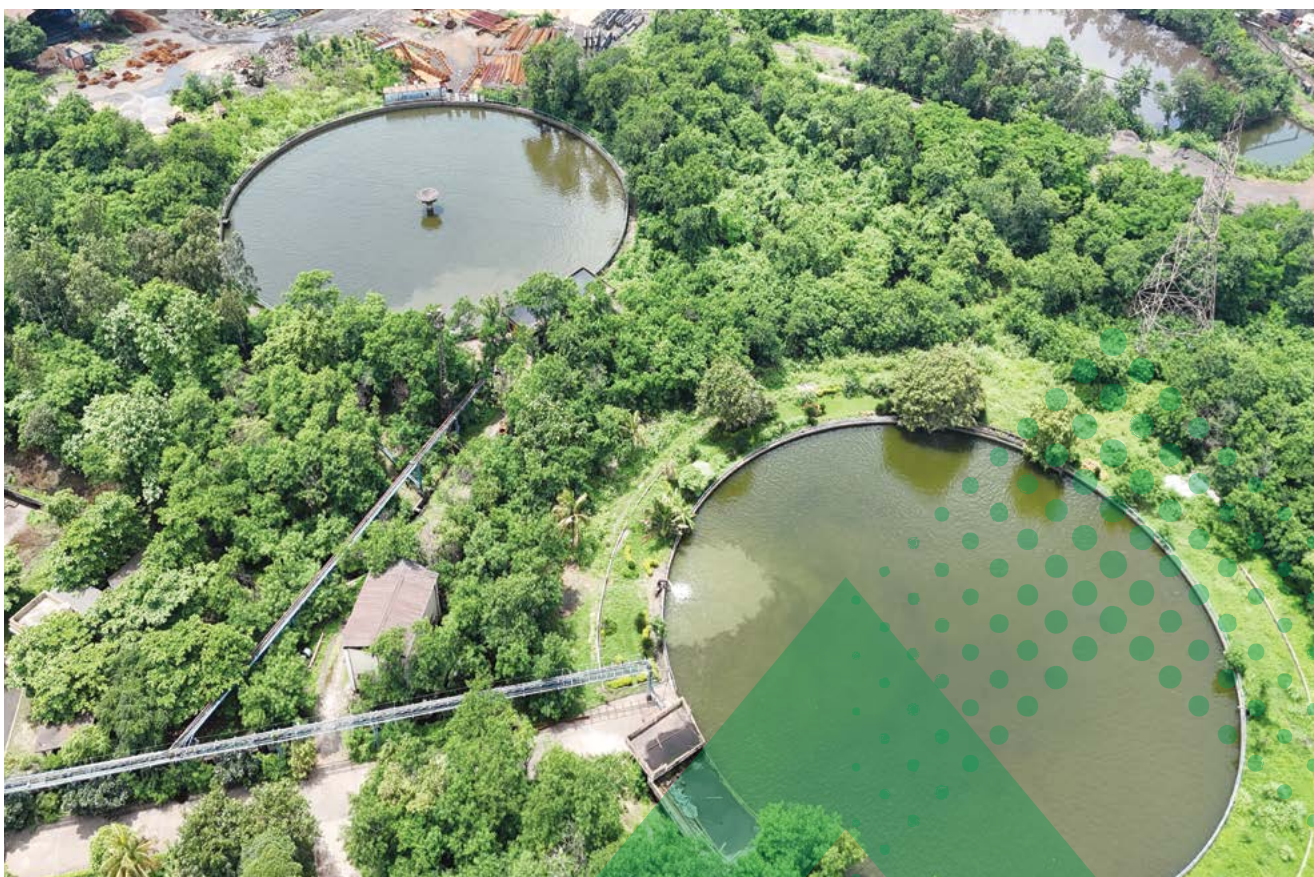
Manufacturing activities generate emissions and particulates against tightening regulatory norms, and our response is equipment rather than assurance.

During FY 2025-26 two centralised bag filter systems were installed to improve dust collection efficiency and reduce fugitive / particulate emissions.

Air pollution control systems are maintained to observe applicable norms, supported by continuous monitoring of emission parameters. Fugitive dust control extends across internal roads and material transport.

**0.000315 Kilolitres
per rupee of turnover**

Water intensity during the year



RENEWABLE ENERGY

The transition towards a more diversified energy mix is central to our long-term approach.

Our hydropower portfolio spans four operating stations across Sikkim, Chhattisgarh and Uttarakhand, totalling 166.7 MW, and delivered its highest-ever generation during FY 2025-26. Three of the four operate under power purchase agreements running thirty to forty years.

A 50 MW captive solar plant is under implementation at Kharora, specifically to reduce reliance on grid power at the manufacturing complex. Commissioning has been delayed by transmission right-of-way and is expected before the end of the third quarter of FY 2026-27.

Three small hydropower projects in Chhattisgarh totalling 74 MW are progressing, alongside a 66 MW project at Rahung village in Arunachal Pradesh.

CIRCULARITY

Our waste management philosophy centres on waste-to-wealth programmes designed to achieve complete waste utilisation. In practice this means each residue stream has an identified destination.

- Fly ash converted to eco-bricks and cement feedstock
- Ferro manganese slag used as silico manganese input
- Mill scale returned for iron recovery
- Dolochar is used as fuel for the power plant
- End-cutting scrap was reintegrated into the steel value chain
- Industrial waste converted to mineral wool
- Treated effluent is reused for plantation and gardening

Mineral wool plant helps in converting industrial waste into a saleable product. This is the newest addition to the circular model and the clearest example of the principle material that previously carried a disposal cost now generates revenue.

Non-recyclable and hazardous waste are managed through defined procedures and authorised channels, with emphasis on safe handling, regulatory compliance and minimising environmental impact.

Land management

Our approach considers the full operating lifecycle including planning, development, operations and progressive rehabilitation. Where mining results in land disturbance, rehabilitation and restoration measures are undertaken in accordance with applicable requirements and site-specific conditions.

Environmental monitoring

We maintain systems to track key environmental parameters across operating locations. Monitoring helps teams to identify variations, evaluate site-level impacts and act where required.

LAND, BIODIVERSITY AND ENVIRONMENTAL MANAGEMENT

Mining and industrial operations interact with the natural environment across their lifecycle. We seek to understand these impacts, manage the associated risks and implement measures that minimise disturbance and support recovery.



Biodiversity

Biodiversity considerations are incorporated into our environmental management approach, with attention to local ecological conditions, vegetation and surrounding habitats. Plantation and green cover initiatives contribute to environmental improvement around operating areas.

Directors' Report

Dear Shareholders,

Your directors take pleasure in presenting the 53rd Annual Report on business and operations of the Company for the financial year ended March 31, 2026, another year of operational excellence, strategic growth, and sustainable practices.

Operational Results

(₹ in crore)

Particulars	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Revenue from operations	4,334	3,484	5,690	4,643
Exports	25	102	851	865
Other Income	235	120	237	172
EBIDTA	1,606	1,076	2,025	1,410
Depreciation	210	150	341	272
Finance cost	133	97	244	220
Profit before tax	1263	829	1,450	918
Provision for tax	314	221	386	237
Net Profit	949	608	1,063	681

Review of Performance

Although the members are aware, we inform with great pleasure that the Hon'ble Supreme Court of India has rejected all appeals of unsuccessful Resolution Applicants against approval of Company's Resolution Plan by Hon'ble NCLT Vide its order dt. 13.08.2024 for acquisition of SKS Power Generation (Chhattisgarh) Limited under CIRP. With this the hangover of uncertainty is over and the Company has started taking steps for expansion of the 600 MW IPP.

The efforts taken by the Company in improving the performance of the IPP are evident from the fact that from an all-India rank of 103 with a PLF of 70.48% as on 21.08.2024, the IPP secured 32nd position with a PLF of 79.06% as on 31.03.2026. During the year, the IPP generated 4155.2 MU as against 3704.5 MU in 2024-25. The improvement in power generation was coupled with improvement in other parameters like plant availability, auxiliary power consumption etc.

Our facilities at Raipur, comprising the Iron Ore Pellet Plant, Sponge Iron Plant and Power Plant, delivered an excellent performance during the year by surpassing both the previous year's production levels and their respective annual production targets. The Company strategically reduced captive power consumption during peak-demand hours and sold 27 MU of power, thereby enhancing overall profitability. While this decision had a marginal impact on steel and ferroalloys production, it contributed positively to the Company's

financial performance and profitability.

We had shut down one captive power plant of 30 MW from 1st December 2025 for replacement with new energy efficient Turbine and generator supplied by BHEL. The new plant shall start operation in August 2026. This had a bearing on production of steel and ferro alloys during the year.

To expand the product basket, the Ferro Alloys Plant introduced a special-grade product, Silico Manganese (SiMn) Low Phosphorus, to cater to specific market requirements and enhance overall profitability through product diversification and value addition.

To sustain and enhance productivity, the Company continuously invests in process improvement, equipment modernization, technological upgradation and environmental conservation initiatives, ensuring operational efficiency, regulatory adherence, and long-term sustainable growth. Some of these efforts include:

- ✓ Successful installation and commissioning of Mineral wool project as part of waste management initiative and life cycle management for sustainable growth.
- ✓ **EV Loader :** To reduce diesel consumption and environmental emissions, the Company has replaced 12 diesel-operated loaders and 05 trailers, along with one forklift, with electric vehicles (EVs). This initiative not only reduces the dependence on diesel fuel but also contributes significantly

Directors' Report

in lowering greenhouse gas emissions and improving air quality, supporting the organization's sustainability and environmental objectives.

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.

Projects under execution

50 MW Solar Power Project

The project commissioning got delayed due to challenges faced in laying of evacuation infrastructure. A railway line has been proposed enroute the transmission line requiring railway clearance. Also a few of the land owners have challenged the route. The company is laying alternate evacuation route on 33 KV to feed part capacity in the grid without further delay, which is expected to commission by October 2026.

Sahapur West Underground Coal Mining Project

Mine development work is progressing as per schedule and coal production is expected to commence before end of current financial year. This mine will meet our requirement of high grade coal and substitute imported coal fully.

Gare Palma IV/5 Coal Mine Project

The Mining Plan & Mine Closure Plan has been approved. The forest land diversion is under process. Other activities are progressing as planned. We have got 57 months' time from 04.02.2025 to start the mine and we are hopeful of starting production before scheduled time.

Bartunga Hill Coal Mining Project

A Joint venture led by us with 67% share for Re-opening, Salvaging, Rehabilitation, Development and Operation of Bartunga Hill Underground Coal Mine of South Eastern Coal Fields Limited (SECL) in the state of Chhattisgarh, on revenue sharing basis. The Mining Plan for an annual peak rated production capacity of 2.1 MnT per annum has been approved. DPR in line with Mining Plan and Mine Closure Plan has been submitted to SECL. The Re-diversion proposal is under consideration of the State Forest Dept. TOR has been approved. Other activities are progressing as planned. We are hopeful to start production in the mine before end of next financial year.

Senduri Coal Mine

During the year under review, the Company was declared as Successful Bidder for Senduri Coal block in Madhya

Pradesh. The block has total expected geological reserves of 248.54 MnT of G9(Provisional) grade of coal. Detailed exploration is going on.

Surjagarh-1 Iron Ore Mining Project

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 Prospecting /Composite License has been executed and the permission from competent Forest Authorities for Core Drilling has been received. The Exploration and Survey work has been commenced. Other activities are progressing as planned.

24.90 MW Kotaiveera SHP

The 24.9 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. Some approvals have been received and remaining approvals are expected anytime. We expect to start work on the project during the current financial year.

66 MW Khuitam HEP

The Company's Wholly Owned Subsidiary - Sarda Renewable Energy Limited (formerly Sarda Energy Limited) - is in the process of acquiring majority stake in Adishankar Khuitam Power Private Limited, which is having rights to develop a 66 MW hydro power plant in the state of Arunachal Pradesh. Firm agreements have been executed for acquisition of stake, and our representatives have been nominated on the Board of the company. We have received state govt. approval for replacement of the principal shareholder of the project. The project already has most of the clearances in place. The detailed design and engineering work is going on. The project is expected to be commissioned within 5 years.

Change in Business

There was no change in the nature of the business of the Company during the year. There are no material changes and commitments affecting the financial position of the Company since close of the financial year.

Dividend

The Board, subject to approval of shareholders, has recommended highest ever dividend @ ₹ 2.00 per share (200%) for the F.Y. 2025-26, subject to the deduction of tax at applicable rate. Last year, the Company had paid dividend @ ₹ 1.50 (150%) per share.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy. The Policy is

Directors' Report

available on the Company's website and can be accessed at the following link: Dividend Distribution Policy

During the current year 2025-26, the Company has further transferred unpaid dividend of ₹ 0.11 crore in respect of F.Y. 2017-18 to the Investor Education and Protection Fund. The dividend for FY 2024-25, on equity shares transferred to IEPF, has also been remitted to IEPF.

Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for Financial Year 2025-26 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 the wholly owned subsidiary Sarda Renewable Energy Limited for retiring of debt and investment in hydropower business.

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 108 MVA Ferro Alloys Furnaces backed by 80 MW captive thermal power plant near Vizag port to cater mainly to export market. Besides this, during the year operations of Rock Mineral Wool Plant also got stabilized.

During the year, Power Generation was 636.68 MU as compared to 573.06 MU in the previous year and achieved PLF of 90.85% as against PLF of 81.77% in previous year. The ferro alloys production stood at 1,19,330 MTs as against 1,02,158 MTs in the previous year. The Company recorded an all-time high in both ferro alloys and power production during the year.

During FY 2025-26, the company exported 98,908 MTs (including trading export of 3553 MTs) of ferro alloys valued at ₹ 825.43 crore against 99,556 MTs (including trading export of 20 MTs) in the previous year valued at ₹ 802.01 crore. The company reported a net profit of ₹ 55.19 crore as against ₹ 6.33 crore in the previous year. The Company is recognized as a Three Star Export House by the Government of India, Ministry of Commerce & Industry, Directorate General of Foreign Trade.

During the year, CRISIL has changed ratings from "CRISIL A/Stable" to "CRISIL A/ Positive for long-

term bank facilities and continues to be "CRISIL A1" for short-term bank facilities. The company has met all its financial obligations on time.

- **Sarda Renewable Energy Limited (formerly Sarda Energy Limited) (SREL)**, a wholly owned subsidiary earned a net profit of ₹ 13.68 crore as against net profit of ₹ 3.81 crore in the previous year. The profit was mainly from share of profit from investment in Chhattisgarh Hydro Power LLP. Additional equity of ₹ 48.23 crore was infused in the company to pay off the debt and to finance the acquisition of stake in 66 MW Khuitam hydro power project.
- **Kalyani Coal Mining Private Limited (KCMPL)**, a wholly owned subsidiary was 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, Since the project was not viable, at the company's request SECL has terminated the agreement. It is proposed to merge the company with Sarda Renewable Energy Limited for which steps are being taken.

During the year under review, the company earned a profit of ₹ 1.59 crore from surplus funds as against profit of ₹ 0.51 crore in the previous year.

Chhattisgarh Hydro Power LLP (CHPLLP), a wholly owned subsidiary, is successfully operating 24 MW Gullu Small Hydro Electric Project (SHP) since last eight years. Another 24.90 MW Rehar-I SHP commenced commercial operation on 8th July 2025 in Surajpur district of Chhattisgarh.

The external credit rating of the LLP has been upgraded to "A+(stable)" from "A (Stable)" by ICRA.

During the FY 2025-26, Gullu SHP has supplied record 122 MUs (PY 90.11 MUs). The Rehar-I SHP generated 84 Mus. The LLP has earned EBIDTA of ₹ 115.37 crore (PY ₹ 40.28) and post-tax profit of ₹ 60.90 crore (PY ₹ 29.23 crore). The improvement in performance is attributable to good monsoon in the catchment area and commencement of commercial operations of Rehar-I SHP.

- **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 20.03 MU power in the FY 2025-26 (Previous Year 20.37 MU) to the state grid. During the year 2025-26, the Company has reported EBIDTA of ₹ 3.43 crore (PY ₹ 3.16 crore) and net profit of ₹ 0.35 crore (PY loss ₹ 0.42 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 419.76 MU (PY 367.17 MU) of power in the F.Y 2025-26 and reported revenue from sale of power of ₹ 224.92 crore (PY ₹ 246.01 crore). Based on provisional tariff, it has earned EBIDTA of ₹ 188.55 crore (PY ₹ 191.08 crore) and post-tax profit of ₹ 21.94 crore (PY ₹ 16.36 crores). The determination of final tariff is in process. The company has terminated the long term PPA with Chhattisgarh State Distribution Utility, CSPDCL w.e.f 11th July 2025 and is now selling power in the open market. It will be beneficial for the company in the long run.

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

- **Sarda Hydro Power Private Limited (formerly Sarda Hydro Power LLP) (SHPPL)** has licenses for implementation of two small hydro projects. Survey works for 24.90 MW Kotaiveera SHP is advance stage of final approvals and work on the project is expected to start during the current year.

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 ₹ 24.35 crore as against profit of ₹ 21.85 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 1.57 MnMT (PY 0.89MnMT) coal was extracted from the Mine.

The subsidiary reported a net profit of ₹ 42.44 crore as against net profit of ₹ 36.04 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 ₹ 3.48 crore as against net profit of ₹ 7.99 crore in the previous year.

Joint Ventures

- **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 pending matters are closed.
- **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 ₹ 2.19 crore as against profit of ₹ 1.48 crore in previous year 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 block in the State of Maharashtra. The Company holds 51% stake in NREPL. The block is under approval stage and Composite License for the Block for period of three years has been granted and executed. The Prospecting work has been started and the permission from Competent Forest Authorities for carrying out Core drilling work for estimation of reserves has also been received.
- **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 2025-26 the company incurred loss of ₹ 0.11 crore as against profit of ₹ 1.05 crore in the previous year.
- **Madanpur South Coal Company Limited (MSCCL)** was incorporated as a Joint Venture Special Purpose

Directors' Report

Vehicle for development of Madanpur South Coal Block allotted in consortium. The Supreme Court had cancelled all coal block allotments. Consequent to cancellation of coal block, there is no business left out in the company. We hold 20.63% share in the JV. During the year 2025-26, MSCCL reported profit of ₹ 0.34 crore as against profit of ₹ 0.34 crore in the previous year.

At present the Company is holding land of about 71.220 Hectares. MSCCL would be wound-up after disposal of the land and closure of pending tax proceedings.

- **Shree Ram Business Park Private Limited -**
During the current year 2026-27, the Company has promoted Shree Ram Business Park Private Limited a joint venture Company with 50% stake. The company will carry on business of real estate in the area, where SEML holds investment properties. The Company is yet to start the business activities.

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, associates and joint ventures 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 Company's website. These documents are also available for inspection.

Directors

In the last Annual General Meeting, the members approved

- a) re-appointment of Mrs. Tripti Sinha as Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years from 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.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Anant Sarda, Non- Executive, Non-Independent, Promoter Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. Necessary resolution for the above re-appointment is being made a part of the Notice convening the ensuing general meeting. Brief profile of Mr. Anant Sarda, who is proposed to be 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.

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.

Directors' Report

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 March 31, 2026, 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 March 31, 2026 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors' Report

Key Managerial Personnel

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

Auditors and Auditors' Report

Statutory Auditors

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 September 24, 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 2024-25 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 of ₹ 2.50 lakh plus applicable taxes and out of pocket expenses for the year 2026-27. As required under the provisions of Companies Act, 2013, the remuneration payable to the Cost Auditors for 2026-27 is being placed before the members in the ensuing annual general meeting for approval.

Secretarial Auditor

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 2024-25 held on September 25, 2025, M/s. S.G. Kankani & Associates, Practicing Company Secretaries, having

Firm Registration No. P1998CG012600 were appointed as Secretarial Auditors of the Company to hold office till the conclusion of the 57th AGM to be held in the calendar year 2030.

The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed herewith marked as **Annexure D** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, in terms of requirement of regulation 24A of SEBI Listing Regulations, the Secretarial Audit Report, for the financial year ended March 31, 2026, 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 belongingness. The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through initiatives in the areas of Health, Education, 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.

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.

Directors' Report

Business Responsibility & Sustainability Report

In accordance with the Listing Regulations, the BRSR describes the performance of the Company on environmental, social and governance aspects. The disclosures on key performance indicators (KPIs) of BRSR Core and Independent Assurance Report on the identified sustainability information is made a part of annual report.

Disclosures

Board/Committees/Vigil Mechanism

The details of the composition of Board of Directors, composition of various 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, 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 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 2025-26 and hence does not form part of this report. Details of related party transactions entered 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 observed.

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

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

Annual Return

The Annual Return of the Company as on March 31, 2026 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.

Directors' Report

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

General

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

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

The directors further confirm that during the year 2025-26 -

- a) Neither the Chairman, 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 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.

The disclosures / information / details disclosed / given elsewhere in the annual report have not been repeated 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 places on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board would also like to express its sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors and members during the year under review.

On behalf of the Board of Directors

(K.K. Sarda)

Chairman

DIN: 00008170

Raipur
August 01, 2026

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 and

Annexure 'B' to the Directors' Report

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

Annexure 'B' to the Directors' Report

which the annual remuneration payable to a 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, procedures, formats, reporting mechanism

Annexure 'B' to the Directors' Report

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 March 31, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2025-26

[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 March 31, 2026:

- 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 March 31, 2026 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;
- e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

(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.

Annexure 'D' to the Directors' Report

- 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.

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 (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, the Members of the Company approved the alteration of the Articles of Association (AOA) in accordance with the applicable provisions of the Companies Act, 2013. 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: 8200/2026

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN:F010807H000984208

Place: Raipur (C.G.)

Date: July 30, 2026

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: 8200/2026

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN:F010807H000984208

Place: Raipur (C.G.)

Date: July 30, 2026

Annexure 'E' to the Directors' Report

Secretarial Audit Report of Sarda Metals & Alloys Limited for the financial year ended March 31, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[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 March 31, 2026:

- 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 March 31, 2026 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)

- (iv) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable)**
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(Not applicable)**
- (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)**

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. Further, there was no changes in the composition of the Board of Directors of the Company.
- 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, and
- 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.
- As per the minutes of the meetings duly recorded

Annexure 'E' to the Directors' Report

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: 8200/2026

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN:F010807H000879697

Place: Raipur (C.G.)

Date: July 18, 2026

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: 8200/2026

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN:F010807H000879697

Place: Raipur (C.G.)

Date: July 18, 2026

Annexure 'F' to the Directors' Report

Secretarial Audit Report of Madhya Bharat Power Corporation Limited for the financial year ended March 31, 2026

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2026

[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 March 31, 2026:

- 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 March 31, 2026 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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)

- 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)**
- 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)**

- 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:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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, and

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.
- 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, Mr. Parthasarathi Dutttagupta (DIN- 06639931), resigned from position of Whole time Director of the Company w.e.f. 31st March, 2026. 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.

Place: Raipur (C.G.)

Date: July 16, 2026

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

COMPANY SECRETARIES

FRN: P1998CG012600

PR: 1396/2021

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

UDIN:F010807H000854925

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:F010807H000854925

Place: Raipur (C.G.)

Date: July 16, 2026

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. The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/ underprivileged sections of the society. SEML adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create social and environmental impact. The main objective of CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development for the society. It aims at supplementing the program of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. The focus areas under SEML CSR policy are Education, healthcare, sports, art & culture, rural development programmes, social business projects, etc.			
2.	Composition of CSR Committee :			
Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	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 : CSR Committee Composition of CSR committee, CSR Policy and CSR projects approved by the board are : CSR Policy disclosed. : CSR Report			
4.	Provide the executive summary along with : The Company has carried out Impact Assessment through weblink(s) of Impact Assessment of CSR : independent third parties. The summary reports are Projects carried out in pursuance of sub rule : attached. The Complete report is available at : Impact (3) of rule 8, if applicable : Assessment Report 2025-26			
5.	a. Average net profit of the Company as per : ₹ 739.56 crore section 135(5) of the Companies Act, 2013 b. Two percent of average net profit of the : ₹ 14.79 crore Company as per section 135(5) of the companies Act, 2013			

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	: 0.88 crore (being excess amount spent in 2024-25, brought forward)
e.	Total CSR obligation for the financial year (5b+5c+ 5d)	: ₹ 13.91 crore
6. a.	Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects)	: ₹ 12.87 crore
b.	Amount spent in administrative overheads	: ₹ 0.20 crore
c.	Amount spent on Impact Assessment, if applicable	: NIL
d.	Total amount spent for the financial Year (6a+6b+6c)	: ₹ 13.07 crore
e.	CSR amount spent or unspent for the financial year	: ₹ 0.84 Crore*

* Unspent amount is earmarked for an ongoing project. The said amount has been spent in the current financial year.

Total Amount Spent for the Financial Year. (₹ in crore)	Amount Unspent (₹ in Crore)				
	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
13.07	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	14.79
(ii)	Total amount spent for the Financial Year	#13.95
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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)]	NIL

including ₹ 0.88 crore brought forward from 2024-25.

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 subsection (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 – The short-spent amount is on account of amount earmarked for an ongoing project, which has been spent during the current year 2026-27.

Sd/-
Kamal Kishore Sarda
 (Chairman)
 (DIN: 00008170)

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

Annexure 'G' to the Directors' Report

Summary of independent Impact Assessment study conducted

CSR - Impact Assessment Summary - 2025-26

Overview

Sarda Energy & Minerals Limited (SEML) has got an independent impact assessment of its Corporate Social Responsibility (CSR) initiatives for FY 2025-26 in accordance with Rule 8(3)(a) of the Companies (CSR Policy) Amendment Rules, 2021 done by Pragati Prayas Samajik Sewa Sanstha (PPSSS) covering all CSR interventions implemented across Chhattisgarh, Madhya Pradesh and selected pan-India locations.

During the assessment period, SEML's CSR portfolio comprised 134 CSR activities with a total statutory CSR obligation of ₹ 14.79 crore, benefiting over 6.07 lakh people across the sectors of education, healthcare, rural infrastructure, livelihoods, culture and sports. The portfolio generated an estimated Social Return on Investment (SROI) of 1:7.8, indicating that every ₹ 1 invested created approximately ₹ 7.80 in social value.

CSR Portfolio Highlights

- **Total CSR Obligation Assessed:** ₹ 14.79 crore
- **CSR Activities:** 134
- **Direct Beneficiaries:** 6,07,684+
- **Geographical Coverage:** Chhattisgarh, Madhya Pradesh and selected pan-India initiatives
- **Flagship NGO Partners:** Parivaar Education Society, Sankalp Ek Prayas, Udayachal Health & Research Institute and BALCO Medical Centre/VMRF

The CSR portfolio was primarily focused on rural infrastructure (61.6%), followed by education (22.4%), healthcare (7.2%), livelihoods, and art, culture & sports.

Key Impact Across Sectors

Education & Learning

SEML invested ₹ 3.32 crore in education initiatives benefiting more than 10,000 direct beneficiaries. Major achievements include:

- 5,027 tribal children supported through Parivaar Seva Kutirs.
- 77,000 learners reached through Sankalp's Project Kartavya.
- Significant improvement in learning outcomes, including a 40 percentage-point increase in mathematics and 38 percentage-point

improvement in reading proficiency.

- 80 students secured admission to Jawahar Navodaya Vidyalayas and Eklavya Model Residential Schools.
- STEM, robotics and AI education introduced to over 1,200 students through IDYMF Antariksha Kendra.

Health & Wellbeing

Healthcare initiatives with an investment of ₹ 1.07 crore benefited approximately 1.87 lakh people through preventive, curative and specialized healthcare services. Major outcomes included:

- 60,569 OPD consultations and 5,530 surgeries at Udayachal Hospital.
- More than 120 Bone Marrow Transplants supported at BALCO Medical Centre with a 78% survival rate.
- Cancer treatment assistance to economically weaker patients.
- Community medical camps, physiotherapy services, ambulance support and potable drinking water initiatives expanded healthcare access in rural communities.

Infrastructure & Rural Development

Infrastructure remained the largest investment area with ₹ 9.15 crore, benefiting over 2.22 lakh people. Key achievements included:

- Construction of rural roads improving connectivity to schools, healthcare facilities and markets.
- Development of Anganwadi centres, school buildings, community halls and sanitation infrastructure.
- Installation of water supply systems, borewells and irrigation facilities improving drinking water access and agricultural productivity.
- Creation of durable community assets expected to deliver long-term social benefits.

Livelihood Promotion

SEML implemented livelihood programmes focused on women and rural households through:

- Sewing training centres and sewing machine distribution.

Annexure 'G' to the Directors' Report

- Mushroom cultivation training for youth.
- Support to Gaushalas and other income-generation initiatives.

These interventions improved income opportunities and promoted economic empowerment among vulnerable communities.

Art, Culture & Sports

SEML supported 56 cultural and sports initiatives benefiting approximately 1.86 lakh people, including preservation of cultural heritage, sports development, community festivals and programmes promoting social inclusion.

Assessment Findings

The assessment adopted the internationally recognized OECD-DAC evaluation framework and concluded that SEML's CSR portfolio demonstrated:

- High relevance to community needs and Schedule VII of the Companies Act, 2013.
- Effective implementation with measurable improvements in education, healthcare and rural development.
- Efficient utilization of CSR resources with strong value for money.
- Sustainable outcomes through durable infrastructure and long-term institutional partnerships.
- High overall social impact supported by an estimated portfolio SROI of 1:7.8.

Strategic Recommendations

The assessment recommends:

- Entering long-term partnerships with flagship implementation agencies.
- Scaling successful education and healthcare models, particularly Parivaar Seva Kutirs and Udayachal mobile healthcare services.
- Expanding livelihood programmes for women.
- Strengthening digital monitoring and impact measurement systems.
- Enhancing visibility and branding of CSR-supported assets.

Conclusion

The independent assessment concludes that SEML has established a mature and strategically balanced CSR programme that effectively combines long-term infrastructure creation with investments in education, healthcare, livelihoods and community development. The Company's CSR initiatives have delivered measurable improvements in the quality of life of beneficiaries while contributing to multiple Sustainable Development Goals (SDGs). The portfolio demonstrates strong governance, effective implementation and sustainable social value creation, positioning SEML as a responsible corporate committed to inclusive and long-term community development.

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.	Various initiatives have been undertaken towards energy conservation, including the replacement of HPSV bulbs with energy-efficient LED lights, replacement of higher-capacity pumps with energy-efficient pumps and installation of Variable Frequency Drives (VFDs). These measures have resulted in an annual energy savings of 0.654 million units (kWh).
ii)	The steps taken by the Company for utilizing alternate sources of energy.	In IFD usage of BP oil replaced with low cost fire wood.
iii)	The capital investment on energy conservation equipment.	₹ 0.55 crore

B. Technology absorption

i)	The efforts made towards technology absorption	Sponge Iron Plant In sponge iron plant manual operated RMHS circuits upgraded with PLC based control system and Product house dedusting system was upgraded with centralized bag house. Induction Furnace - In Induction Furnace Division introduced online Quick Nozzle Change (ONC) mechanism. - Modification of coil handling system to improve the coil shape, installation of CNC lathe machine, online mill scale filtration system and Heavy Duty 6 mm Re-bar automatic Straightening Cum Cutting Machine in wire rod mill. Ferro Alloys Plant In ferroalloys furnace E secondary bus bar system was replaced with a bus tube system and replaced the feeding system from skip hoist to conveyor system. IPP - One BFP de-staging done to optimise Aux power Consumption. - Hardox 500 plate being used to enhance chute life. - Manganese Steel grade 7 being used to improve crusher hammer life.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	Replacement of 12 diesel-operated loaders and 1 forklift with battery-operated Electric Vehicles resulting in reduction in diesel consumption. Hydrazine dosing pump purchased from within country instead of importing, resulting in savings of ₹ 0.99 crore.

Annexure 'H' to the Directors' Report

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

C. Foreign exchange earnings and outgo

Total foreign exchange earnings and outgo (₹ in crore)		
a) Foreign exchange earnings		: 25.65
b) Foreign exchange outgo		: 223.59

On behalf of the Board of Directors

(K.K. Sarda)

Chairman

DIN: 00008170

Raipur
August 1, 2026

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 Crore)	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	9.81	Contractual	B.E. (Mech.)	50 Years	16.12.1978	74 Years	---	Mr. Pankaj Sarda, Mr. Anant Sarda
Mr. Pankaj Sarda	Managing Director	8.63	Contractual	BE(Ind. Engg.), MS(IA)	23 Years	01.04.2003	47 Years	---	Mr. K. K. Sarda, Mr. Anant Sarda
Mr. Padam Kumar Jain	WTD & CFO	2.37	Permanent	CA, CS, B. Com	40 Years	12.04.1997	63 Years	Somaiya Organo Chem. Limited	---
Mr. Nilay Joshi	Executive Director	0.88	Permanent	MBA Finance	20 Years	11.03.2019	46 Years	RBL Bank Limited	---
Mr. Ramakrishna Rao Thota	President - Commercial	0.80	Permanent	CA	32 Years	20.02.2018	59 Years	East Coast Energy Private Limited	---
Mr. Manoj Kumar Shah	Plant Head	0.70	Permanent	BE (Mechanical)	31 Years	20.07.1994	55 Years	---	---
Mr. Sanjeev Agrawal	Head - Services	0.64	Permanent	B.E. (Mech.), PGDIM	36 Years	27.08.2007	62 Years	Torrent Power	---
Mr. Arup Pal	Head - IPP	0.54	Permanent	B.E.	39 Years	02.06.2025	61 Years	Jndal Steel & Power	---
Mr. Sanjay Dwivedi	Head (SID/IFD)	0.51	Permanent	BE (Metallurgy)	32 Years	06.10.2008	55 Years	Sree Metaliks Limited	---
Mr. Priyabrata Mukherjee	VP (Mines)	0.51	Permanent	DME, MBA, 1st Class Mines Manager	27 Yrs	10.06.2023	56 Years	Chowgule and Company Private Limited, Harbour	---

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	₹ 9.81 crore	₹ 8.63 crore	₹ 2.37 crore
Nature of employment, whether contractual or otherwise	Contractual	Contractual	Permanent
Qualification and experience	B.E. (Mech.) Nearly 50 years of Industrial experience	BE (Ind. Engg.), MS (IA) Nearly 23 years of Industrial experience	CA. C.S., B.Com Nearly 40 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	74 years	47 years	63 years
Last employment held	—	—	Somaiya Organo Chem. Limited
Names of other directors related to the employee	Mr. Pankaj Sarda (Son) / Mr. Anant Sada (Son)	Mr. Kamal Kishore Sarda (Father) / Mr. Anant Sarda (Brother)	—

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 2025-26, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2025-26:

S. No.	Name of Director / KMP	% increase in Remuneration in the F.Y. 2025-26	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. K.K. Sarda	1.65	198.66
2	Mr. Pankaj Sarda	5.11	174.81
3	Mr. P.K. Jain – CFO & WTD	6.30	47.95
4	Mrs. Tripti Sinha	24.84	4.07
5	Mr. Amal Kumar Debnath	21.54	4.80
6	Mr. Binoy Sandip Parikh	17.02	5.57
7	Mr. Rajeev Sharma	16.74	5.65
8	Mr. Upendra Prasad Singh	20.61	5.57
9	Mr. Anant Sarda*	NA	5.17
10	Mr. Manish Sethi (CS)	11.11	N.A.

* Appointed Director w.e.f. 01.04.2025

- ii) The percentage increase in the median remuneration of employees in the financial year was 4.59%.
- iii) There were 1576 permanent employees on the rolls of Company as on March 31, 2026.
- iv) Average % increase in the salaries of employees other than the managerial personnel in the last financial year, i.e. 2025-26 was 9.29% as against 9.46% in the previous year. There was an increase of 3.70% 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

August 1, 2026

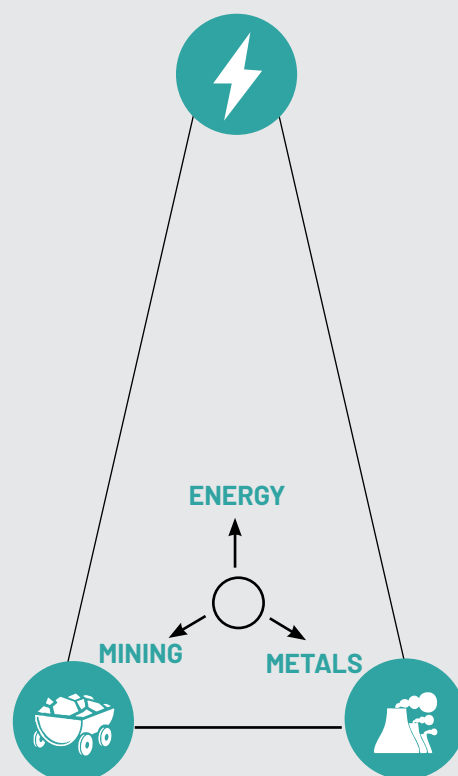
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Sarda Energy & Minerals Limited (SEML) has evolved into a diversified and integrated enterprise with a strong presence across energy, mining and metals. Over the years, the Company has transformed from a business primarily associated with steel and ferro alloys into one where energy has become a key contributor to earnings, mining is emerging as an important business with both commercial and strategic value, and the metals business is supported by an integrated operating model. This balanced portfolio reflects the Company's long-term focus on building sustainable businesses aligned with India's growing demand for energy, minerals and infrastructure, while creating lasting value for all stakeholders.

This Management Discussion and Analysis Report (MDA) present the management's perspective on the business environment, industry trends, operational performance and strategic direction of Sarda Energy & Minerals Limited during FY 2025-26. It provides an overview of the Company's business, financial and operational performance, key growth initiatives and the opportunities and challenges influencing its future direction. The report also discusses developments across the Company's integrated energy, mining and metals businesses, together with the impact of economic conditions, government policies and industry trends during the year. In addition, it covers key developments relating to human resources, industrial relations, sustainability, risk management and internal control systems. This discussion should be read together with the

DIVERSIFIED GROWTH PLATFORM



ENERGY

Power generation and energy solutions driving India's growth



MINING

Access to critical minerals adding strategic value



METALS

Integrated metals business with scale and operational strength

Management Discussion and Analysis

standalone and consolidated financial statements and the related notes forming part of the Annual Report FY 2025-26. It aims to provide shareholders and other stakeholders with a clear understanding of the Company's strategy, operating performance and approach to creating sustainable long-term value.

ECONOMIC OVERVIEW

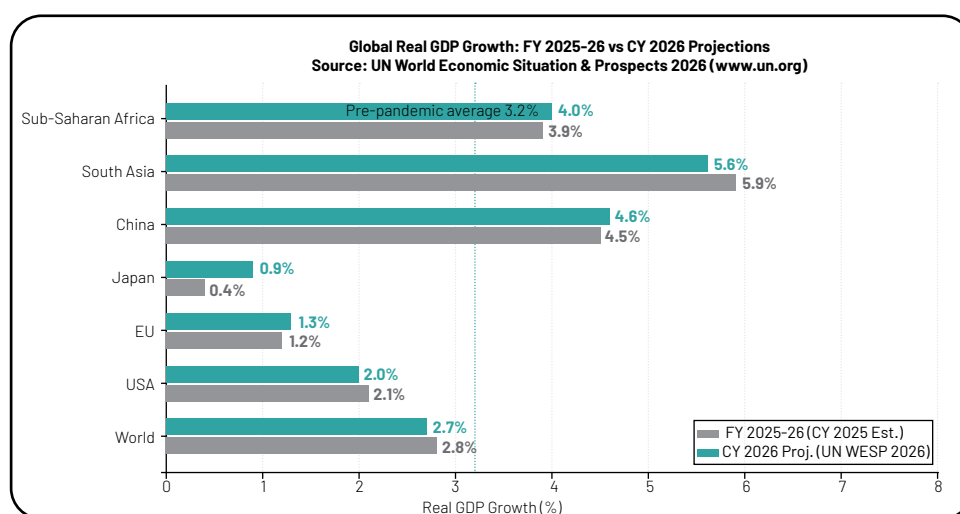
GLOBAL ECONOMIC OVERVIEW

The global economy remained resilient during FY 2025-26 despite heightened geopolitical tensions, evolving trade policies and continued macroeconomic uncertainty. According to the United Nations World Economic Situation and Prospects 2026 report, the global economy expanded by an estimated 2.8% in calendar year 2025. While overall growth remained stable, the performance of major economies varied considerably. The United States recorded growth of 1.9%, supported by resilient consumer spending and a gradual easing of monetary conditions, even as higher tariffs and trade measures affected global trade sentiment. The Euro Area grew by 1.5%, reflecting the combined impact of elevated energy costs and weaker export demand. China maintained growth of 4.9%, supported by targeted policy measures and continued strength in manufacturing and digital industries, while Japan recorded growth of 1.2% on the back of a gradual recovery in domestic demand. Across East Asia, economic activity remained comparatively stronger, supported in part by higher export shipments ahead of the implementation of revised US tariff measures.

Global trade also demonstrated greater resilience than initially anticipated, expanding by 3.8% during calendar year 2025 despite an increasingly uncertain external environment. Much of this growth was supported by higher shipments during the early part of the year, as manufacturers and exporters accelerated deliveries before revised tariff structures came into effect. Services trade continued to perform well, particularly across technology, financial services and business services. However, this momentum is expected to

moderate as temporary factors fade and the impact of rising trade protectionism becomes more evident. As a result, global trade growth is projected to ease to around 2.2% during calendar year 2026.

Inflation continued to moderate during FY 2025-26, providing some relief to businesses and consumers after several years of elevated price pressures. Global headline inflation declined from 4.0% in calendar 2024 to an estimated 3.4% in 2025, moving closer to central bank targets across many advanced economies. Nevertheless, the pace of moderation remained uneven. Food, energy and housing costs continued to remain elevated in several regions, particularly for lower-income households, while geopolitical developments and supply-side disruptions continued to influence commodity markets. As a result, central banks maintained a cautious approach towards monetary policy, balancing the need to support economic growth while ensuring that inflation remained under control.



Outlook

Looking beyond FY 2025-26, the global economy is expected to remain on a stable but moderate growth path. The United Nations projects global GDP growth of 2.7% in calendar year 2026, followed by a marginal improvement to 2.9% in 2027. While easing inflation and a gradual reduction in interest rates are expected to support business investment and consumption, overall growth is likely to remain below the pre-pandemic average of 3.2%. The United States is projected to grow by around 2.0% in 2026, while the European Union is expected to expand by 1.3% as trade-related challenges and geopolitical uncertainty continue to weigh on industrial activity. China is expected to maintain

Management Discussion and Analysis

relatively strong growth of 4.6%, supported by policy measures and continued investment in manufacturing and technology, although trade tensions with major economies are expected to remain an area of concern.

Global inflation is expected to moderate further to around 3.1% during calendar year 2026, creating additional room for central banks to gradually ease monetary conditions. However, the inflation outlook continues to be influenced by several external factors, including geopolitical tensions, climate-related disruptions to agricultural production and volatility in energy markets. Investment activity is also expected to recover gradually, although spending is likely to remain concentrated in areas such as digital technologies, artificial intelligence and energy transition infrastructure, while broader private sector investment may continue to recover at a measured pace.

The global economy therefore enters the next phase with greater stability than in recent years, but the external environment remains complex. Escalation of geopolitical conflicts, renewed trade tensions among major economies and continued volatility in commodity markets remain key risks to global growth. Elevated public debt levels across several developing economies also limit the scope for large-scale fiscal support if economic conditions weaken. Despite these challenges, continued technological innovation, investment in sustainable infrastructure and gradual improvement in financial conditions are expected to support long-term economic expansion and create opportunities for businesses operating across global industrial and infrastructure value chains.

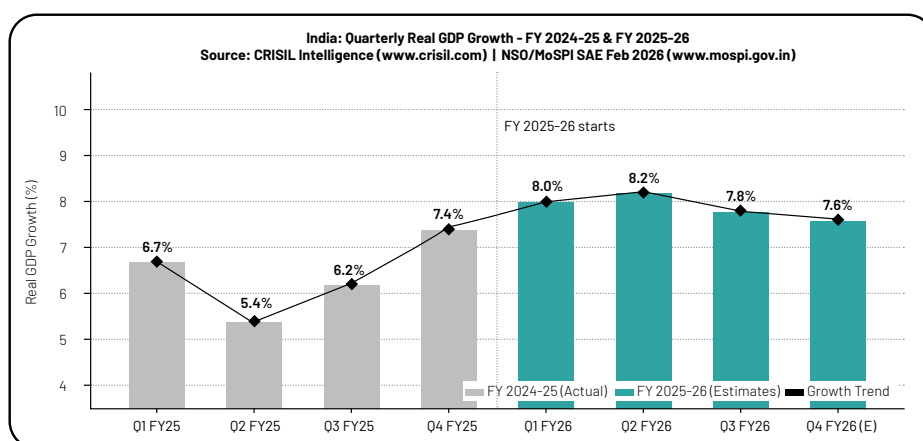
INDIAN ECONOMIC OVERVIEW

India's economy continued to demonstrate remarkable resilience during FY 2025-26 despite an uncertain global environment marked by geopolitical tensions, trade disruptions and slower growth across several major economies. Supported by strong domestic consumption, a stable macroeconomic environment and sustained public investment, India remained one of the fastest-growing major economies in the world. According to CRISIL, India's GDP growth forecast for FY 2025-26 was revised upward to 7.0%, following a stronger-than-expected performance

during the first half of the year. The improvement was driven by healthy private consumption, lower inflation, GST rationalisation implemented in September 2025 and income tax relief extended to the middle-income segment. The National Statistical Office (NSO) reported real GDP growth of 8.2% in Q2 FY 2025-26, the highest in six quarters, followed by 7.8% growth in Q3 under the revised 2022-23 base year series, reflecting the continued strength of the domestic economy.

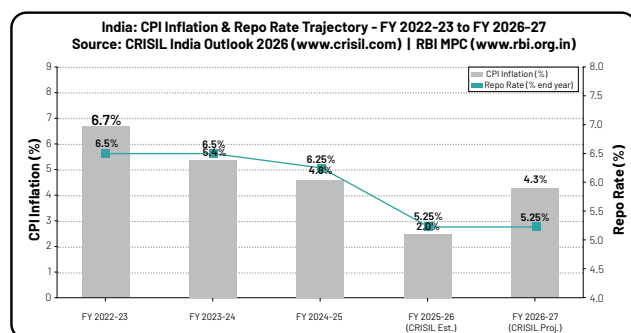
The monetary environment remained supportive throughout the year. The Reserve Bank of India reduced the repo rate by a cumulative 100 basis points during FY 2025-26, bringing the policy rate down from 6.25% to 5.25% by March 2026. This policy easing was supported by a sharp moderation in inflation, with CRISIL estimating average consumer price inflation at 2.5% for FY 2025-26, the lowest since the adoption of the current CPI series. Softer food prices, healthy agricultural output, GST rationalisation and relatively stable global crude oil prices helped ease inflationary pressures, allowing the RBI to maintain a growth-supportive monetary stance. Lower borrowing costs also improved liquidity conditions and supported investment activity across multiple sectors of the economy.

Investment continued to emerge as another important pillar of economic growth during the year. Government capital expenditure remained strong at around 3.1% of GDP, supporting continued investments in infrastructure, logistics and industrial development. At the same time, private sector investment gathered momentum after a period of cautious spending, particularly across sectors such as semiconductors, electric vehicles, renewable energy and advanced manufacturing. Bank credit growth strengthened to 14.5% year-on-year by December 2025, while industrial credit expanded by 13.3%, indicating improving business confidence and a gradual broadening of the



Management Discussion and Analysis

private investment cycle. Together, rising consumption, public infrastructure spending and improving private investment provided a balanced foundation for India's economic growth during FY 2025-26.



Outlook

India's economic outlook continues to remain favourable, supported by strong domestic fundamentals and sustained policy focus on infrastructure, manufacturing and investment. CRISIL projects GDP growth of 7.1% in FY 2026-27, keeping India among the fastest-growing major economies globally. Domestic consumption is expected to remain the primary growth driver, supported by improving rural demand, rising disposable incomes and favourable government policies. Public capital expenditure is expected to remain around 3.1% of GDP, continuing to stimulate investments across infrastructure, power, transport and urban development while encouraging greater private sector participation.

The private capital expenditure cycle is also expected to strengthen over the medium term. Industrial capex is projected to average around ₹ 9.1 lakh crore annually between FY 2027 and FY 2031, representing a significant increase over current investment levels. Much of this growth is expected to come from emerging sectors such as semiconductors, electronics manufacturing, electric vehicles, solar energy and advanced battery manufacturing, reflecting the gradual diversification of India's industrial base. In addition, CRISIL expects India's exports to grow at around 13% annually through 2030, supported by expanding trade partnerships and new free trade agreements. Cumulative investments of approximately ₹ 145-150 lakh crore are projected over FY 2027 to FY 2031, reinforcing the country's long-term growth potential.

Inflation is expected to normalise after the exceptionally benign levels witnessed during FY 2025-26. CRISIL projects consumer price inflation to average around 4.3% in FY 2026-27 as food prices stabilise and favourable base effects moderate. The

outlook, however, remains subject to factors such as monsoon performance, global commodity prices and geopolitical developments, particularly movements in crude oil prices. Despite these external uncertainties, India's structural strengths, including a large domestic market, expanding manufacturing base, improving infrastructure, rising exports and continued policy reforms, position the country favourably to sustain long-term economic growth and remain a key driver of global economic expansion.

INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL ENERGY OVERVIEW

Global energy economy overview

The global energy sector continued to undergo a significant transformation during FY 2025-26, driven by rising electricity demand, record investments in clean energy and evolving energy security priorities. Energy is no longer viewed only as an input for economic growth but as a strategic pillar shaping industrial competitiveness, technological advancement and long-term economic resilience. During the year, governments and businesses accelerated investments across renewable energy, transmission infrastructure, storage technologies and low-carbon fuels, reflecting a broader shift towards building more diversified and resilient energy systems.

According to the International Energy Agency (IEA), global energy investment exceeded USD 3.3 trillion during calendar year 2025, of which around USD 2.2 trillion was directed towards clean energy technologies, including renewable energy, electricity grids, energy storage, nuclear power, energy efficiency and low-emission fuels. Today, nearly two-thirds of total global energy investment is directed towards cleaner technologies, compared with a much more balanced allocation between clean and conventional energy only five years ago. This reflects a clear shift in capital allocation as countries continue to strengthen their energy infrastructure while pursuing long-term sustainability goals. Looking ahead, the IEA expects global energy investment to increase by a further 5% to approximately USD 3.4 trillion during calendar year 2026, with clean energy expected to continue attracting majority of new investments.

Beyond investment, the global energy transition is increasingly being shaped by a broader set of strategic priorities. Alongside decarbonisation, governments are placing greater emphasis on energy security, affordability and supply chain resilience. The focus has

Management Discussion and Analysis

gradually expanded from deploying renewable energy to strengthening domestic manufacturing capabilities, securing access to critical minerals and building resilient supply chains that can support long-term energy independence. These priorities are expected to continue influencing investment decisions and policy frameworks across major economies in the years ahead.

Energy demand driven by electricity consumption

Electricity demand emerged as one of the defining themes of the global energy sector during 2025, marking a clear shift after nearly fifteen years of relatively moderate growth across advanced economies. The International Energy Agency (IEA), in its Electricity 2026 report, describes this period as the beginning of the "Age of Electricity", reflecting the growing importance of electricity in supporting economic activity, industrial production and technological advancement. Global electricity demand is expected to maintain a healthy growth trajectory over the remainder of the decade, expanding at an average annual rate of around 3.6%, significantly higher than the pace witnessed over the previous ten years. This sustained growth is expected to reinforce electricity's increasingly important role in the global energy system.

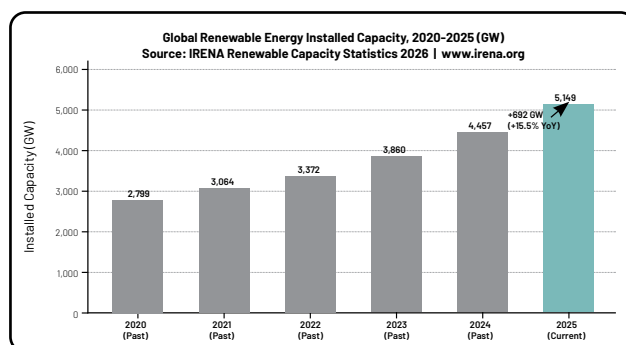
The projected growth is reflected in the IEA's demand outlook, with worldwide electricity consumption estimated at approximately 28,200 TWh in 2025 and forecast to increase to around 33,600 TWh by 2030. The magnitude of this increase highlights the growing importance of reliable power generation, grid expansion and low-carbon electricity sources in meeting future global energy requirements.

This growth is being supported by both structural and emerging demand drivers. Continued electrification across transport, industrial processes and residential applications is steadily expanding the global demand base, while rapid advancements in artificial intelligence, cloud computing and hyperscale data centres are creating entirely new sources of electricity consumption. According to the IEA's World Energy Outlook 2025, investment in data centres is expected to surpass global investment in oil supply, underlining the changing nature of future energy demand. At the same time, emerging economies are expected to account for nearly 80% of the additional global electricity consumption through 2030, supported by industrialisation, urbanisation and rising living standards. Among them, India is expected to remain one of the fastest-growing electricity markets, with demand projected to expand at an average annual rate

of around 6.4%, reinforcing its growing importance in the evolving global energy landscape.

Global renewable energy capacity

Renewable energy continued to strengthen its position within the global power sector during FY 2025-26, supported by sustained investment, favourable policy support and continued technological advancements. According to IRENA's Renewable Capacity Statistics 2026, global renewable installed capacity crossed 5,149 GW during calendar year 2025, with renewables accounting for nearly half of the world's installed power capacity. Capacity additions have accelerated consistently over recent years, reflecting growing policy commitment, improving project economics and increasing private sector participation. As countries continue to diversify their energy mix and strengthen energy security, renewable energy is expected to remain one of the key drivers of future power sector growth.



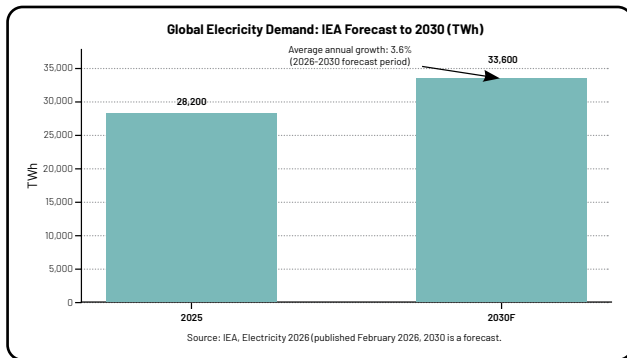
The long-term investment outlook also remains encouraging. The global renewable energy market is estimated at around USD 1,031.5 billion in FY 2025-26 and is projected to reach approximately USD 1,939.3 billion by 2034, registering a CAGR of 7.05%. Supported by continued policy support, improving project economics and growing private sector participation, renewable energy is expected to remain one of the fastest-growing segments of the global power industry over the coming decade.

Global energy outlook

The outlook for the global energy sector remains positive, supported by rising electricity demand, sustained investment and the increasing adoption of cleaner sources of energy. According to the International Energy Agency (IEA), global electricity demand is expected to grow at an average annual rate of 3.6% between 2026 and 2030, reaching around 33,600 TWh by the end of the decade. Renewable electricity generation is projected to increase by nearly 1,000 TWh every year, growing at around 8% annually, with solar PV

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expected to contribute more than 60% of the additional generation. Together, renewable energy and nuclear power are expected to account for nearly 50% of global electricity generation by 2030, reflecting the steady shift towards a cleaner and more diversified energy mix.



Investment will remain central to this growth. Global energy investment is expected to increase to around USD 3.4 trillion during calendar 2026, with clean energy technologies continuing to attract the largest share of new capital. Alongside decarbonisation, governments are placing greater emphasis on energy security, domestic manufacturing and resilient supply chains, making energy investment an important strategic priority. Nuclear power is also witnessing renewed interest, with more than 40 countries including it in their long-term energy plans and over 70 GW of capacity currently under construction. At the same time, while fossil fuel demand is expected to stabilise over the medium term, natural gas is likely to remain the most resilient conventional fuel and coal is expected to continue playing an important role in supporting energy security across several developing economies.

As renewable energy assumes a larger share of the global generation mix, investments in transmission networks, energy storage and grid flexibility will become equally important. Strengthening these supporting systems will be essential to ensure reliable, affordable and uninterrupted power supply while meeting future demand. The pace at which countries expand this supporting infrastructure will play a significant role in determining the success of the global energy transition over the coming years.

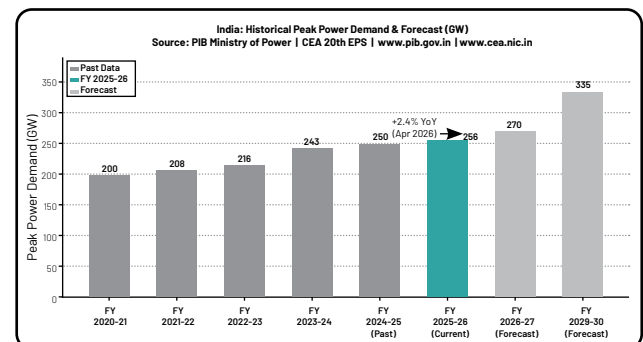
For SEML, these developments reinforce the long-term opportunities across its diversified power portfolio. With a balanced presence across thermal, hydro and solar power, the Company is well positioned to benefit from rising electricity demand, the increasing need for reliable dispatchable generation and India's ongoing investments in strengthening its power infrastructure.

India's power sector overview

India's power sector continued to strengthen during FY 2025-26, supported by rising electricity demand, record capacity additions and sustained investments across generation, transmission and distribution. Today, India is the world's third-largest producer and consumer of electricity and one of the fastest-growing power markets globally. During FY 2025-26, the country recorded its highest-ever annual capacity addition of nearly 65 GW. As on 31st May 2026, India's installed power generation capacity stood at approximately 542 GW, with non-fossil fuel sources accounting for more than 52% of the total. This reflects the country's continued progress towards building a cleaner, more diversified and resilient power system.

The sector also demonstrated improved reliability and operating efficiency during the year. India successfully met a record peak power demand of 270.8 GW during May 2026. Although per capita electricity consumption stands at around 1,460 kWh, well below the global average, it also reflects the significant growth potential that exists as industrialisation, urbanisation, infrastructure development and rising household incomes continue to drive electricity demand across the country.

Historical power demand growth



India's peak power demand has maintained a steady upward trend, rising from around 200 GW in FY 2020-21 to 256 GW in FY 2025-26. Demand recovered strongly after the pandemic and continued to reach new highs, supported by industrial activity, commercial consumption, greater use of cooling equipment and rising household electricity requirements. Peak demand is projected to increase further to around 270 GW in FY 2026-27 and 335 GW by FY 2029-30.

Electricity consumption has grown at an estimated CAGR of 4.7% over the past decade. Although the pace of growth moderated during FY 2025-26 following the exceptionally strong expansion of the previous few

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years, consumption remained robust, reflecting the continued expansion of industrial activity, commercial establishments and residential demand. This trend underscores the growing role of electricity in supporting India's economic growth and long-term development.

The continued rise in electricity demand is being supported by sustained investments in generation capacity, transmission infrastructure and renewable energy, enabling the sector to meet higher consumption while maintaining grid stability and reliability. As India continues to expand its manufacturing base, digital infrastructure and urban economy, electricity demand is expected to remain on a long-term growth trajectory. The following snapshot provides an overview of the current scale, composition and operating structure of the Indian power sector.

Industry Snapshot

India's power sector has evolved into one of the world's largest and most diversified electricity markets. Thermal power continues to provide the foundation of the country's electricity supply, while renewable energy is steadily increasing its share of installed capacity and generation. At the same time, continued investments in transmission infrastructure, grid modernisation and market reforms are strengthening the sector's ability to meet rising demand while improving operational efficiency and energy security.

Growth expected in power demand over next decade

India's medium-term power demand outlook remains among the strongest globally, supported by sustained economic growth, rapid industrialisation and increasing electrification across sectors. ICRA projects electricity demand to grow at a CAGR of 6.0% to 6.5% between FY 2026-27 and FY 2030-31, exceeding the pace recorded over the previous decade. Emerging demand drivers such as electric vehicles, green hydrogen production and data centres are expected to contribute 20% to 25% of incremental electricity demand during this period, broadening the country's consumption profile beyond traditional industrial and residential demand.

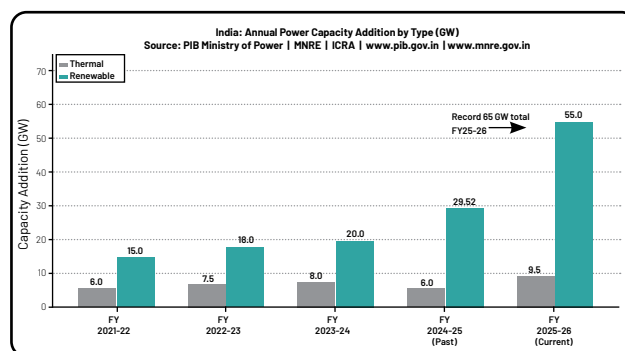
According to the Central Electricity Authority's 20th Electric Power Survey, peak power demand is expected to increase from 256 GW in FY 2025-26 to around 335 GW by FY 2029-30, while total electricity consumption is projected to reach approximately 2,280 TWh. Meeting this growing demand will require installed generation capacity to exceed 700 GW by 2030, supported by continued investments in generation, transmission and grid infrastructure. With per capita electricity

consumption of around 1,460 kWh, significantly below the global average of 3,000 to 4,000 kWh, India continues to offer significant long-term growth potential as manufacturing, urbanisation and digital infrastructure continue to expand.

Annual capacity addition in India

FY 2025-26 was a landmark year for India's power sector, with the country recording its highest-ever annual capacity addition. Approximately 64.5 GW of new generation capacity was commissioned during FY 2025-26, comprising around 55 GW of renewable capacity and 9.5 GW of thermal capacity. On a rounded basis, this represented an addition of nearly 65 GW, the highest recorded in a single year. The sharp increase over previous years reflects faster execution of utility-scale renewable projects together with continued investment in thermal generation to support reliable baseload power.

The record pace of capacity addition demonstrates India's continued commitment to strengthening energy security while expanding the share of cleaner sources in the generation mix. Alongside new generation assets, investments in transmission infrastructure and grid modernisation are also improving the sector's ability to integrate larger volumes of renewable power while maintaining reliability and operational efficiency.



Thermal energy overview and outlook

Thermal power continues to play an important role in the global energy mix, even as renewable energy expands rapidly. During calendar year 2025, renewable sources accounted for 33.8% of global electricity generation, marginally surpassing coal's 33.0% share. Despite this shift, many economies continue to rely on thermal generation to provide reliable baseload power, support grid stability and complement renewable energy, particularly where transmission networks and energy storage infrastructure are still developing.

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In India, coal-based thermal power remained the backbone of the electricity system during FY 2025-26, providing dependable baseload and dispatchable power alongside the rapid growth of renewable energy. Coal and lignite continued to account for the largest share of installed generation capacity, while thermal plants operated at an average plant load factor (PLF) of around 70%, broadly in line with the previous year. During the year, around 9.5 GW of new thermal capacity was commissioned, reflecting the sector's continued importance in ensuring grid reliability and meeting rising electricity demand.

Coal availability remained comfortable throughout the year, with domestic coal-based power stations maintaining stocks of around 58.2 million tonnes, equivalent to nearly 19 days of consumption at 85% PLF. Imported coal-based plants, with an installed capacity of around 18.3 GW, also operated steadily during the year. While renewable energy is meeting an increasing share of incremental demand, thermal generation continues to provide the operational flexibility required to balance the grid until storage technologies and transmission infrastructure are developed at a much larger scale.

Looking ahead, the Government of India has revised its thermal power roadmap and plans to add 97 GW of coal-based capacity by FY 2034-35, taking the country's total thermal capacity to around 307 GW. The revised plan reflects the need to balance clean energy targets with energy security, reliable power supply and growing electricity demand. Going forward, thermal power is expected to remain an integral part of India's energy mix, with future additions closely aligned to the expansion of renewable energy, transmission infrastructure and energy storage systems.

For SEML, this evolving landscape provides a favourable operating environment. Through SKS Power and its integrated energy portfolio, the Company has established a strong position in thermal power, supported by reliable operating performance, medium and long-term power purchase agreements, established grid connectivity and supporting infrastructure. The gradual strengthening of fuel availability through coal linkages, together with integration with the Company's commercial mining operations, further enhances operational reliability, providing greater stability than generators that rely primarily on external fuel purchases and merchant power markets.

The Company is also well placed to benefit from the next phase of sector growth. It has outlined plans to expand the SKS thermal power plant from 2 × 300

MW to 4 × 300 MW, with key infrastructure such as land, water availability, railway siding, coal handling facilities and grid connectivity already in place. This brownfield expansion is expected to improve capital efficiency, shorten execution timelines and strengthen the Company's ability to meet the country's growing demand for reliable and dispatchable power.

Renewable energy overview and outlook

India's renewable energy sector maintained strong momentum during FY 2025-26, supported by sustained policy support, record capacity additions and increasing private sector participation. Renewable capacity, including large hydro, expanded at its fastest pace to date, reinforcing India's position among the world's leading clean energy markets. During the year, renewable energy also achieved an important milestone by meeting 51.5% of the country's electricity demand on a single day, the highest renewable contribution recorded on the national grid.

The year witnessed record additions across both solar and wind energy. Solar PV capacity additions nearly doubled to around 44.5 GW, while wind installations reached approximately 10.5 GW, representing their strongest annual performance so far. The pace of deployment reflects faster project execution, supportive policy measures and growing investor confidence in India's renewable energy sector. According to IRENA, India now ranks third globally in installed solar capacity and fourth in both wind and overall renewable energy capacity.

The long-term outlook for the sector remains encouraging. As of November 2025, around 184 GW of renewable capacity was under implementation, with another 55.74 GW already tendered, creating a project pipeline of nearly 240 GW. Achieving the Government's target of 500 GW of non-fossil capacity by 2030 will require continued investments not only in renewable generation but also in battery energy storage, pumped hydro storage and transmission infrastructure. Supported by favourable policy initiatives and improving project economics, renewable energy is expected to remain the principal driver of India's future power capacity expansion.

For SEML, the evolving energy landscape presents significant long-term opportunities. The Company has adopted a balanced approach by building a diversified power portfolio that combines renewable energy with dependable thermal generation. This enables SEML to participate in India's clean energy transition while

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maintaining operational reliability and supporting stable earnings across different market conditions.

The Company's renewable portfolio also complements its broader integrated business model. Hydropower provides flexible and dependable generation, while the captive solar project supports operational efficiency and sustainability objectives. Together with thermal power, these assets create a diversified energy portfolio that balances reliability, operational flexibility and long-term value creation.

Hydro energy overview and outlook

Hydropower continues to play an important role in the global energy transition as countries seek reliable and flexible sources of clean electricity. Alongside its contribution to low-carbon power generation, hydropower is increasingly valued for its ability to balance renewable energy, support grid stability and provide peaking power. As renewable energy capacity expands rapidly across the world, the importance of flexible generation assets such as hydropower continues to grow.

Hydropower strengthened its contribution to India's power sector during FY 2025-26. Large hydro capacity stood at approximately 51.4 GW, supported by around 7.4 GW of pumped storage capacity, while small hydro contributed another 5.17 GW. Favourable hydrological conditions during the year supported higher generation, with large hydro output increasing by 13.2% during April to September 2025, while small hydro generation grew by 11.1% over the corresponding period of the previous year.

Beyond electricity generation, hydropower is becoming increasingly important in supporting India's expanding renewable energy system. Its ability to provide flexible generation, rapid ramp-up capability and frequency support makes it an ideal complement to solar and wind power. Looking ahead, large hydro capacity is projected to reach around 53.9 GW by FY 2029-30, while pumped storage capacity is expected to increase from 7.4 GW to nearly 19 GW. With the Central Electricity Authority identifying more than 100 GW of pumped storage potential, hydropower is expected to play an increasingly important role in improving grid flexibility and supporting long-term energy security.

SEML has established a meaningful presence in this segment through its operating hydropower assets across Sikkim, Chhattisgarh and Uttarakhand, with an installed hydro capacity of 166.7 MW. The business delivered its highest-ever generation during FY 2025-

26, reflecting improved operational performance and favourable hydrological conditions. In addition to supporting the Company's clean energy portfolio, these assets provide greater operational flexibility and contribute to a more balanced energy mix.

The Company is also expanding its hydropower portfolio through a well-defined development pipeline. Work is progressing on three small hydropower projects in Chhattisgarh with a combined capacity of 74 MW, while the acquisition of a majority stake in a project company has strengthened its presence in Arunachal Pradesh through a proposed 66 MW hydropower project. These projects are expected to strengthen the Company's renewable portfolio, diversify future earnings and support long-term value creation as India's demand for clean and reliable power continues to grow.

India's power sector outlook

India's power sector is expected to maintain strong growth over the coming decade, supported by rising electricity demand, continued infrastructure investments and an increasingly diversified generation mix. Renewable energy is likely to account for the majority of future capacity additions, while thermal power will continue to provide reliable baseload supply and support grid stability. ICRA expects India's installed generation capacity to exceed 700 GW by March 2030. At the same time, the Government's target of 500 GW of non-fossil fuel capacity by 2030 appears well supported, with non-fossil sources already contributing more than 52% of the country's installed capacity.

The Draft National Electricity Policy (NEP) 2026 places significant emphasis on strengthening transmission infrastructure, expanding energy storage and improving grid flexibility to support the next phase of sector growth. With peak power demand expected to rise from around 270 GW in FY 2026-27 to 335 GW by FY 2029-30, investments across generation, transmission and distribution will continue to be a key priority. Supported by favourable policy initiatives, rising electricity consumption and ongoing investments across the power value chain, India's power sector is well positioned to remain one of the country's most important infrastructure sectors and a key driver of long-term economic growth.

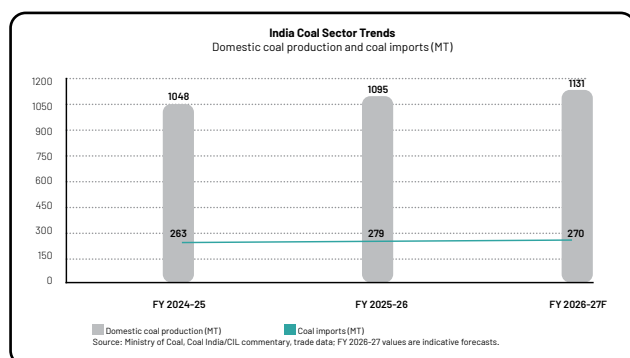
COAL Sector

The global coal industry remained resilient during FY 2025-26 despite the rapid expansion of renewable energy. Coal continued to play an important role in ensuring energy security and supporting reliable

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electricity supply, particularly across Asia, where rising industrial activity and growing power demand sustained consumption. According to the International Energy Agency (IEA), global coal demand reached a record 8.85 billion tonnes in calendar year 2025, while production remained at around 9.11 billion tonnes. China continued to dominate global production and consumption, with India and Southeast Asia accounting for a significant share of incremental demand. Although renewable energy capacity continued to expand, coal remained an important part of the global energy mix, particularly in developing economies where reliable and affordable power continues to be a priority.

India's coal sector also maintained strong momentum during FY 2025-26, reflecting the country's growing energy requirements and expanding industrial activity. While renewable energy additions reached record levels, thermal power continued to provide the foundation of India's electricity system by supplying dependable baseload power and supporting grid stability during periods of peak demand and lower renewable generation.



Domestic coal production continued to strengthen during the year. Following the milestone of crossing 1 billion tonnes in FY 2024-25, India's total domestic coal production is estimated to have reached around 1,095 million tonnes during FY 2025-26, reflecting continued efforts to enhance domestic availability and reduce reliance on imports. Coal imports during the year were estimated at approximately 279 million tonnes, primarily to meet the requirements of coking coal and certain grades of non-coking coal not available in sufficient quantities domestically. Within this overall production, captive and commercial coal blocks produced 210.46 million tonnes by March 31 2026, registering growth of more than 10% over the previous year, while dispatches exceeded 204 million tonnes. These developments reflect the gradual diversification of India's coal sector, with private commercial mining beginning to play a

larger role alongside Coal India Limited and contributing to the country's long-term objective of strengthening domestic coal security.

The outlook for the sector remains positive as electricity demand continues to expand alongside industrialisation, infrastructure development, urbanisation and the growth of digital infrastructure. Renewable energy is expected to remain the fastest-growing source of new generation capacity, supported by continued policy support and investments in solar, wind and energy storage. At the same time, thermal power is expected to retain an important role in providing grid stability, meeting evening peak demand and supporting system reliability until storage technologies and transmission infrastructure are developed at a much larger scale.

The coal industry is also expected to remain an important part of India's long-term energy and industrial landscape. Domestic production is projected to increase further, supported by expanding commercial mining, higher output from existing mines and continued efforts to reduce avoidable imports. Going forward, competitiveness will increasingly depend not only on production volumes but also on coal quality, logistics efficiency and the ability to supply the right grades to different industries. As commercial mining expands, the sector is gradually evolving from a production-driven industry to a more diversified market with multiple producers serving both captive and commercial demand.

For SEML, these industry developments create opportunities that extend beyond raw material security. The Company's mining business supports its integrated energy and metals operations while also creating the potential to build an independent commercial mining business over the medium to long term. During FY 2025-26, the Gare Palma IV/7 coal mine operated at its enhanced permissible capacity of 1.8 million tonnes per annum, recording its highest annual production and strengthening fuel availability for the Company's thermal power operations.

SEML's future mining strategy extends well beyond its operating mine. The Company is progressing the development of Shahpur West, Gare Palma IV/5, Bartunga and Senduri, which are commercial coal blocks with higher-grade coal resources. As these projects are commissioned, they are expected not only to strengthen integration across the Company's energy and metals businesses but also create opportunities for commercial coal sales. This supports the Company's long-term objective of developing mining as an

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independent business vertical alongside its energy and metals operations, creating an additional source of future revenue and earnings while enhancing operational resilience. This is consistent with the Company's broader strategy of building an integrated portfolio across Energy, Mining and Metals.

India's coal gasification mission

India is also taking steps to expand the use of coal beyond conventional power generation through the National Coal Gasification Mission. The Government has set a target of gasifying 100 million tonnes of coal annually by 2030, supported by policy incentives and technology partnerships. Coal gasification converts coal into synthesis gas, which can be used in the production of chemicals, fertilisers, synthetic natural gas and hydrogen, creating greater value from domestic coal resources while reducing dependence on imported fuels.

The technology is also gaining attention within the steel sector, where gasification-based direct reduced iron (DRI) routes are being evaluated as a lower-carbon alternative for ironmaking. As India's industrial base continues to expand, coal gasification has the potential to create new downstream opportunities while improving resource utilisation and supporting the country's long-term energy and manufacturing objectives.

IRON ORE/PELLET INDUSTRY

The global iron ore and pellet industry remained resilient during FY 2025-26, supported by stable steel production, continued infrastructure investments and growing demand for higher-grade raw materials. Global crude steel production remained close to 1.85 billion tonnes, sustaining demand across major steel-producing regions. Asia Pacific, led by China and India, continued to dominate both production and consumption, while the global iron ore pellet market was valued at around USD 70.6 billion during the year and is expected to maintain steady growth over the medium term. The increasing adoption of direct reduced iron (DRI), stricter environmental standards and the gradual shift towards lower-emission steelmaking are expected to further strengthen demand for high-grade iron ore and pellet products.

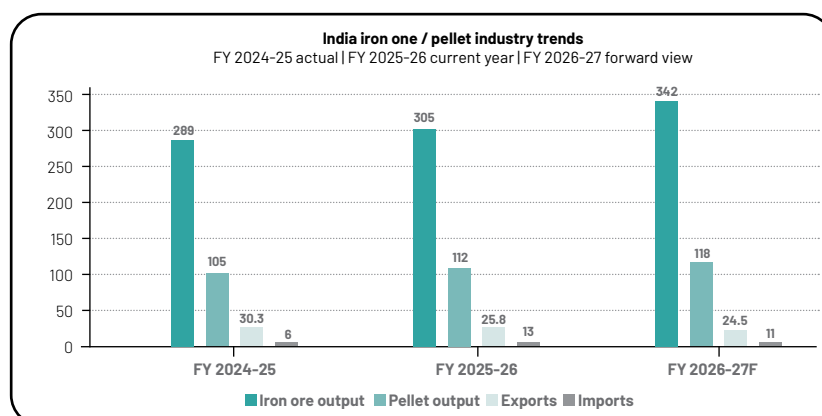
The Indian iron ore and pellet industry also recorded another year of healthy

growth during FY 2025-26. Domestic steel producers continued to absorb higher volumes of iron ore and pellets, mine production expanded further and the industry placed greater emphasis on value-added feed preparation. In this environment, iron ore remained much more than a mined commodity. It continued to serve as the starting point of an integrated value chain supporting pellet plants, sponge iron units, steelmaking and the country's expanding infrastructure and manufacturing sectors.

India's iron ore production is estimated at around 305 million tonnes during FY 2025-26 compared with about 289 million tonnes in the previous year. Pellet production also increased to an estimated 110-115 million tonnes from around 105 million tonnes, reflecting stronger domestic demand and the growing use of pellets in efficient ironmaking. At the same time, exports of iron ore and pellets moderated to about 25.8 million tonnes from approximately 30.3 million tonnes in FY 2024-25, as higher domestic consumption and softer demand from China altered trade flows.

Another important trend during the year was the rising demand for higher-grade raw materials. Imports of premium-grade iron ore and pellets are estimated at around 12-14 million tonnes, compared with roughly 6 million tonnes in the previous year. This reflects the increasing importance of ore quality, blending requirements and plant-specific raw material optimisation. While India remained adequately supplied in terms of overall ore availability, demand for specific grades continued to support investments in beneficiation, pelletisation and logistics, making these capabilities increasingly important across the steel value chain.

Pricing remained relatively stable despite changing trade dynamics. NMDC benchmark lump ore prices largely ranged between ₹ 5,300 and ₹ 6,440 per tonne



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during FY 2025-26 and the early part of FY 2026-27, while fines traded broadly in the ₹ 4,050 to ₹ 5,500 per tonne range. At the same time, the domestic iron ore pellet market continued to expand, with industry estimates valuing it at over USD 6.2 billion in 2023 and projecting steady growth through the remainder of the decade. The industry's focus is increasingly shifting from producing larger volumes of ore to supplying higher-quality feedstock that supports efficient and environmentally responsible steelmaking.

Looking ahead, the industry is expected to maintain a positive growth trajectory, supported by rising domestic steel capacity and continued investments across the value chain. Iron ore production is expected to increase further to around 340-345 million tonnes during FY 2026-27 as additional mining capacity comes on stream, while pellet production is also expected to expand in line with growing domestic steel demand and wider adoption of prepared feedstock.

The next phase of industry growth is expected to be shaped not only by production volumes but also by ore quality, beneficiation, pelletisation and supply chain efficiency. Domestic demand is likely to remain strong, while exports may remain moderate if domestic consumption continues to outpace overseas demand. Selective imports of premium-grade ore and pellets are also expected to continue for specific steelmaking applications. Overall, the industry is steadily moving towards a more integrated and value-added operating model, strengthening its role in supporting India's long-term steel and infrastructure growth.

For SEML, the iron ore and pellet business forms an integral part of its integrated metals value chain. During FY 2025-26, the Company achieved its highest-ever pellet production, reflecting improved throughput and stronger operating performance. Looking ahead, SEML plans to expand its pellet plant at Raipur from 0.9 million tonnes to 2.0 million tonnes per annum. With environmental clearance already in place and project development progressing, the expansion is expected to strengthen value addition, improve operational integration and enhance the Company's ability to meet the evolving raw material requirements of the steel industry.

STEEL INDUSTRY

Overview

Steel remained one of the most important drivers of global industrial and infrastructure development during FY 2025-26, supporting construction, manufacturing,

transportation, energy and engineering activities across economies. However, the industry operated in a mixed environment, with slower industrial growth, excess capacity and weaker demand across several developed markets weighing on overall performance.

According to the World Steel Association (Worldsteel), global crude steel production declined by around 2.0% to approximately 1,850 million tonnes (MT) during calendar year 2025. China, which continued to account for more than half of global steel production, recorded a decline in output as weakness in the property sector and softer domestic demand affected production. Several major steel-producing nations including Japan, Germany, South Korea and Russia also reported lower output during the year. Despite these near-term challenges, steel remained a critical material for infrastructure development, manufacturing and energy projects, supporting its long-term importance in the global economy.

Against this backdrop, India's steel industry continued to outperform most major producing nations. Supported by strong domestic demand, sustained infrastructure investments, expanding manufacturing activity and supportive government policies, the industry maintained healthy growth across production and consumption. India further strengthened its position as the world's second-largest steel producer while reinforcing its importance within the global steel value chain.

Crude steel production increased to approximately 168.4 MT during FY 2025-26 compared with 152.2 MT in the previous year, while finished steel production rose to around 160.9 MT. Domestic finished steel consumption also remained strong at approximately 163.7 MT, reflecting broad-based demand from infrastructure, construction, manufacturing, engineering and automotive sectors. Installed steelmaking capacity is estimated at around 220 million tonnes per annum (MTPA), keeping the industry on track towards the National Steel Policy target of 300 MTPA.

Government-led infrastructure development remained one of the strongest demand drivers during the year. Continued investments under programmes such as PM Gati Shakti, the National Infrastructure Pipeline and projects across highways, railways, ports, airports, industrial corridors and renewable energy supported healthy demand across both long and flat steel products. Growth in housing, engineering, capital goods, railways and automotive manufacturing further strengthened domestic steel consumption.

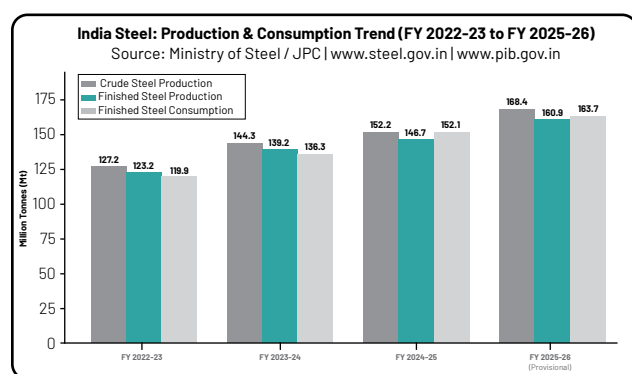
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Another notable development during FY 2025-26 was the gradual improvement in India's finished steel trade balance. Finished steel exports increased to around 6.6 million tonnes, while imports moderated to about 6.5 million tonnes, resulting in a broadly balanced trade position with India emerging as a marginal net exporter during the year. The improvement reflected stronger export competitiveness, favourable overseas demand and safeguard measures introduced on selected flat steel products, while lower imports also eased pricing pressure in the domestic market. Overall, the year indicated a healthier balance between domestic production and external trade rather than a structural shift in India's trade profile.

An equally important milestone was the rise in India's per capita finished steel consumption, which crossed 100 kilograms for the first time. While this marks an important stage in the country's industrial development, it also highlights the significant long-term growth potential that remains, particularly against the National Steel Policy target of 160 kilograms per capita consumption by 2030-31.

India Steel Industry: Key Metrics at a Glance – FY 2025-26

168.4 MT Crude Steel Production (FY26P)	160.9 MT Finished Steel Production (FY26P)	163.7 MT Finished Steel Consumption (FY26P)	220 MTPA Total Installed Capacity (FY26)
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Overall, FY 2025-26 reinforced India's position as one of the fastest-growing steel markets globally. Continued investments in infrastructure, manufacturing and industrial development are expected to provide a strong foundation for the sector's long-term growth.

Outlook

India's steel industry is expected to maintain healthy growth over the medium term, supported by expanding infrastructure investment, increasing urbanisation, rising manufacturing activity and favourable

government policies. At a time when several global steel markets continue to face slower growth and structural challenges, India remains one of the few large economies with a strong and diversified demand outlook.

Domestic finished steel consumption is expected to grow steadily over the coming years, supported by infrastructure development, housing, transportation, renewable energy and capital goods manufacturing. Programmes such as Make in India, the National Manufacturing Mission and production-linked incentive schemes are expected to further strengthen steel demand across defence, railways, engineering, shipbuilding and renewable energy equipment.

On the supply side, steelmaking capacity is expected to continue expanding through both brownfield and greenfield projects. Industry capacity is projected to increase towards 235-240 MTPA, while the National Steel Policy target of 300 MTPA by 2030-31 continues to guide investments across the sector. Alongside capacity expansion, producers are expected to focus increasingly on value-added products, operational efficiency, digitalisation and cleaner manufacturing technologies to improve long-term competitiveness.

India's export potential is also expected to improve gradually as global supply chains diversify and buyers seek competitive sourcing destinations. At the same time, evolving carbon regulations and sustainability standards are likely to encourage greater investments in low-carbon steelmaking and energy-efficient production processes.

The industry nevertheless continues to operate in an environment influenced by geopolitical developments, commodity price volatility and global overcapacity. Dependence on imported coking coal and fluctuations in freight and energy costs remain important considerations for domestic producers. Continued investments in technology, productivity improvement and resource efficiency will therefore remain essential to sustaining long-term competitiveness.

Despite these challenges, the long-term outlook for India's steel industry remains positive. Rising domestic demand, capacity expansion, supportive government policies and continued investments across infrastructure and manufacturing are expected to support sustainable growth. As India advances towards becoming a larger manufacturing and infrastructure economy, the steel industry is expected to remain one of the country's most important industrial sectors.

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For SEML, the steel business remains an integral part of its diversified portfolio. Rather than pursuing scale alone, the Company continues to strengthen its competitive position through greater integration across pelletisation, sponge iron, steel, captive power and coal mining. This integrated operating model enhances raw material security, improves energy availability and supports better cost efficiency across business cycles.

During FY 2025-26, the Company produced 345,066 tonnes of sponge iron and continued operations across billets, wire rods and HB wire, despite the planned shutdown of one captive power unit for replacement during part of the year. Steel prices improved during the fourth quarter, although average realisations for the full year remained below the previous year's levels.

Looking ahead, SEML's ongoing investments in pellet capacity expansion and mining assets are expected to strengthen downstream integration, improve operational efficiencies and enhance long-term competitiveness. Supported by its integrated business model, the Company is well positioned to benefit from the continued expansion of India's infrastructure, manufacturing and industrial sectors.

FERRO ALLOY INDUSTRY

The global ferro alloys industry continued to derive its momentum from the steel sector during FY 2025-26, with steel production accounting for the majority of worldwide ferro alloy consumption. Global crude steel output remained close to 1.85 billion tonnes, supporting steady demand for manganese alloys, ferro chrome and other alloying materials used to improve the strength, hardness, corrosion resistance and performance of steel products. Asia Pacific continued to dominate global production and consumption, led by China and India, while long-term demand remained supported by infrastructure development, manufacturing expansion and the increasing use of high-strength and specialty steels across construction, engineering, automotive and industrial applications.

India's ferro alloy industry also continued to strengthen its position within the country's expanding steel value chain. Supported by healthy domestic steel production, infrastructure investments and manufacturing activity, ferro alloys remained an essential input for modern steelmaking. Their importance today extends well beyond conventional alloying, as steel producers increasingly seek products that enhance operational efficiency, improve product quality and support the manufacture of specialised grades required across diverse end-use sectors.

Domestic demand for ferro alloys remained robust during FY 2025-26, supported by India's expanding steel industry. Industry estimates indicate that domestic demand exceeded 4 million tonnes during the year, while installed production capacity stood at around 7.5 million tonnes and actual production was estimated at approximately 6 million tonnes. India also continued to maintain its position as a significant exporter of ferro alloys, with exports of around 2 million tonnes, highlighting the industry's growing relevance in both domestic and international markets.

Performance across individual alloy segments, however, remained mixed. Manganese alloys continued to benefit from healthy domestic steel production, while ferro chrome experienced relatively softer conditions due to weaker international stainless-steel demand and subdued export realisations during parts of the year. During April to September 2025, ferro chrome production declined compared with the corresponding period of the previous year, reflecting softer export demand and lower availability of domestic chrome ore. These developments reinforced that while the long-term fundamentals of the industry remain positive, individual alloy segments continue to be influenced by their respective demand cycles and raw material dynamics.

Raw material availability and energy costs remained among the most important operating considerations during the year. Electricity continues to represent one of the largest cost components in ferro alloy production, making reliable and competitively priced power a key differentiator for producers. At the same time, the availability of quality manganese ore and chrome ore, together with efficient logistics and prudent inventory management, continued to influence operating efficiency and profitability. As the industry becomes increasingly competitive, integrated operations and disciplined cost management are expected to play an even greater role in determining long-term performance.

The long-term outlook for the Indian ferro alloy industry remains encouraging. India's planned expansion in steelmaking capacity is expected to support sustained growth in ferro alloy consumption over the coming years. Industry estimates suggest domestic demand could continue growing at approximately 7% to 8% annually over the medium term, supported by higher steel production, infrastructure development, manufacturing expansion and rising consumption of value-added steel products. While manganese alloys

Management Discussion and Analysis

are expected to benefit from growing domestic demand, ferro chrome is likely to remain more closely linked to global stainless-steel markets and export conditions.

Going forward, the industry's competitive advantage is expected to depend not only on production volumes but also on operational efficiency, secure access to raw materials, competitive energy costs and the ability to consistently supply high-quality products. Producers with integrated operations, reliable power availability and disciplined cost structures are expected to remain better positioned to navigate commodity cycles while capitalising on the structural growth of India's steel industry.

For SEML, the ferro alloys business forms an integral part of its diversified Energy, Mining and Metals portfolio rather than operating as an independent business. The Company benefits from vertical integration across mining, power generation and downstream metals, providing greater operational efficiency, cost competitiveness and supply reliability. Its ferro alloy operations are spread across both Raipur and Vizag, with a combined installed furnace capacity of 147 MVA, while the Vizag operations are further supported by an 80 MW captive power plant, strengthening operating efficiency and energy security. During FY 2025-26, the Group produced around 200 thousand tonnes of ferro alloys, reflecting stable operational performance despite a mixed industry environment. As domestic steel production continues to expand and integrated business models gain greater competitive importance, the Company remains well positioned to strengthen operational resilience, enhance profitability and participate in the long-term growth opportunities emerging across India's ferro alloy industry.

OPPORTUNITIES AND THREATS

Opportunities

- SEML's diversified business portfolio and integrated operations provide multiple avenues for long-term growth. Supported by favourable industry fundamentals and a disciplined expansion strategy, the Company is well placed to benefit from emerging opportunities across its businesses.
- The proposed expansion of the SKS thermal power plant is expected to strengthen the Company's generation capacity and support long-term earnings visibility.
- Rising electricity demand across India is expected to improve capacity utilisation across the Company's thermal and hydropower assets.

- Development of the Shahpur West, Gare Palma IV/5, Bartunga and Senduri coal blocks is expected to create a larger mining business and strengthen the Company's presence in high grade commercial coal production.
- Higher production from high grade coal mines will reduce dependence on imported coal for internal consumption while creating opportunities for commercial coal sales.
- Expansion of the pellet plant from 0.9 MTPA to 2.0 MTPA is expected to enhance value addition.
- The Company's under construction hydropower projects in Chhattisgarh and Arunachal Pradesh are expected to expand its renewable power portfolio and further diversify future sources of income generation.
- Investment in waste heat recovery and mineral wool project will not only add to efficiency but will also further strengthen environmental protection and sustainability initiatives and reduce carbon footprint of the company.
- Expansion of India's steel industry is expected to support sustained demand for pellets, sponge iron, ferro alloys and value-added steel products.
- The integrated business model enables efficient utilisation of resources, infrastructure and manufacturing facilities thus improving productivity and operating efficiencies.
- Healthy internal cash generation provides financial flexibility to pursue growth while maintaining a prudent capital structure.

Threats

- The industries in which SEML operates are influenced by global economic conditions, commodity markets and policy developments. While the Company's diversified operations provide resilience, changes in the external business environment could influence demand, pricing and overall industry performance.
- Volatility in steel, ferro alloys, pellets and electricity prices may affect industry profitability during periods of market weakness.
- Global overcapacity and lower-priced imports may continue to influence domestic steel prices and export competitiveness.
- International price movements in high grade coal,

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manganese ore and other critical raw materials may affect industry cost structures.

- Changes in government policies relating to mining, power, taxation, environmental regulations and international trade may influence the business environment.
- Increasing environmental standards, carbon-related regulations and sustainability expectations may require higher industry-wide investments in cleaner technologies and compliance.
- Geopolitical developments, supply chain disruptions and higher freight costs may affect commodity availability, international trade flows and input prices.
- Any moderation in infrastructure spending, industrial production or manufacturing activity could reduce demand across steel, power and allied sectors.
- Growing competition from domestic and international producers may exert pressure on pricing, market share and operating margins.
- The gradual evolution of India's power market, including increasing renewable penetration and changing procurement patterns, may influence the operating environment for conventional power generators.
- Currency fluctuations may affect export competitiveness as well as the cost of imported raw materials, equipment and consumables.
- Climate-related events, including irregular rainfall and extreme weather conditions, may affect mining activity, logistics and hydropower generation across the sector.
- Global economic uncertainty or prolonged weakness in commodity markets could affect investment activity, industrial demand and overall market sentiment.

BUSINESS AND FINANCIAL OVERVIEW

Incorporated over five decades ago, Sarda Energy & Minerals Limited (SEML) has steadily evolved from a steel manufacturer into a diversified industrial enterprise with businesses spanning power generation, mining and value-added metals. Alongside strengthening its manufacturing capabilities, the Company has expanded its mining portfolio beyond resource security to create a commercially attractive coal business with long-term earnings potential. Today, its diversified operations across power generation, mining and downstream manufacturing provide multiple sources

of revenue while supporting India's long-term growth in infrastructure, manufacturing and energy.

The Company's operations are organised around three closely connected businesses that complement one another. The power business comprises thermal, hydropower and solar assets, providing a balanced mix of reliable generation and clean energy. The mining business includes commercial coal blocks and captive iron ore resources, supporting both raw material security and the gradual development of commercial coal production. The manufacturing business converts these resources into value-added products including iron ore pellets, sponge iron, billets, wire rods, H.B. wire and ferro alloys. This integrated operating structure enables the Company to exercise greater control over key inputs, improve operating efficiencies and enhance value addition across the business.

The Company is listed on both BSE Limited (BSE: 504614) and the National Stock Exchange of India Limited (NSE: SARDAEN). As on 31st March 2026, its paid-up equity share capital stood at ₹ 35.24 crore, comprising 35,23,81,270 equity shares of ₹ 1 each, with the promoter and promoter group holding 73.16% of the total paid-up equity share capital. Operations extend across multiple states through manufacturing facilities, mining assets and power projects, supported by a long-term credit rating of AA- (Positive) and a short-term rating of A1+, by CRISIL reflecting the Company's sound financial profile and prudent capital management.

Subsidiaries

The Company's subsidiary structure has been developed to support business expansion and project execution across its key operating segments. Sarda Metals & Alloys Limited (SMAL) remains the principal subsidiary for the ferro alloys business and operates the Vizianagaram facility with 102 MVA installed furnace capacity supported by an 80 MW captive power plant. Together with the 45 MVA ferro alloy facility at Raipur, the Group has a combined installed ferro alloy capacity of 147 MVA, serving both domestic and export markets.

The Company's hydropower business is supported by subsidiaries including Parvatiya Power Limited, Chhattisgarh Hydro Power LLP and Madhya Bharat Power Corporation Limited. In addition to managing the existing hydropower assets, these companies are leading the next phase of expansion. The development programme covers three hydropower projects in Chhattisgarh with a combined capacity of 74 MW and a 66 MW project in Arunachal Pradesh through Adishankar Khuitam Power Private Limited. Once commissioned,

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these projects will add to the Company's renewable generation capacity and further diversify its power business.

Capital expenditure

The Company's capital expenditure programme is focused on expanding operating capacity, strengthening resource security and increasing value addition across its businesses. Supported by healthy internal cash generation and a prudent balance sheet, SEML continues to invest in projects that are expected to support sustainable growth while maintaining financial discipline.

Power business: The largest investment under the current expansion programme is the proposed expansion of the IPP thermal power plant from 2 × 300 MW to 4 × 300 MW. The project benefits from existing land, water availability, transmission connectivity, coal handling facilities and railway infrastructure, providing significant advantages from both execution and capital efficiency perspectives. Environmental clearance is under process.

The Company's expansion programme also includes three hydropower projects in Chhattisgarh with a combined capacity of 74 MW, a 66 MW hydropower project in Arunachal Pradesh, commissioning of a 50 MW solar power plant, waste heat recovery based power plant at Vizianagaram and completion of the 30 MW turbine generator replacement programme. These investments are expected to enhance generation capacity, improve operational flexibility and support the Company's long-term growth.

Mining projects: Mining represents the next major phase of the Company's expansion strategy. Development work is progressing at Shahpur West, while approval processes continue for Gare Palma IV/5, Bartunga and Senduri coal blocks and Surjagarh1 Iron ore block. These projects are expected to strengthen raw material

availability for downstream operations while also supporting the gradual development of commercial coal production as an independent source of revenue. This reflects the Company's long-term strategy of creating value through both resource security and commercial mining opportunities.

Manufacturing expansion: Within the manufacturing business, the Board has approved the expansion of iron ore pellet plant at Raipur from 0.9 million tonnes per annum to 2.0 million tonnes per annum, involving an estimated investment of around ₹ 500 crore. Environmental clearance has already been obtained and preparation of the detailed project report is under way. The project is expected to improve value addition, enhance feedstock flexibility and strengthen the competitiveness of the Company's downstream operations.

Capital allocation: The Company expects to maintain annual capital expenditure of around ₹ 500 crore to ₹ 700 crore during FY 2026-27 and FY 2027-28, excluding the proposed thermal power expansion. Capital deployment for the thermal project is expected to gather pace after receipt of the required statutory approvals. This phased investment programme provides good visibility into the Company's growth pipeline while preserving financial flexibility. Some projects are expected to improve operational efficiency in the near term, while others will add new capacity and create additional revenue streams over the medium term, supporting sustainable long-term growth.

Brief financial performance for F.Y. 2025-26:

The financial performance figures are not comparable year on year because of inclusion of performance of 600 MW thermal power plant for full year as against of about 7 months during FY 2024-25. The asset and liability figures have gone up on account of improved performance and full year performance of 600 MW Thermal Power Plant.

(₹ in Crore)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from Operations	4,333.69	3,484.17	5,690.45	4,642.85
EBITDA	1,605.83	1,075.93	2,024.52	1,409.75
Interest and Financial Charges	132.38	97.14	244.46	220.20
Depreciation and amortization	210.36	150.03	340.81	271.43
Tax expenses	314.37	220.69	386.18	236.56
Net Profit	948.71	608.06	1,109.44	702.19

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Turnover

During 2025-26, the Company achieved a turnover of ₹ 4,333.69 crore on standalone basis as against ₹ 3,484.17 crore in the previous year, showing an increase of 24.38%. At the consolidated levels, the turnover in 2025-26 was ₹ 5,690.45 crore as against ₹ 4,642.85 crore in the previous year, up by 22.56%. The turnover and profitability improved mainly on account of full year performance of 600 MW Thermal Power Plant.

Breakup of consolidated revenue (Entity wise)

(₹ in crore)

Company	2025-26	2024-25	Product
Sarda Energy & Minerals Limited	4,303.53	3,430.33	Steel, Ferro alloys & Thermal Power
Sarda Metals & Alloys Limited	1,026.67	902.58	Ferro Alloys & Thermal Power
Madhya Bharat Power Corporation Limited	224.92	246.01	Hydro Power
Chhattisgarh Hydro Power LLP	128.90	47.75	Hydro Power
Sarda Renewable Energy Limited	-	9.74	-
Parvatiya Power Limited	6.43	6.44	Hydro Power
	5,690.45	4,642.85	

Breakup of revenue (% Product wise)

Product	2025-26	2024-25	2025-26	2024-25
	Standalone		Consolidated	
Ferro Alloys	14.12	16.52	28.06	30.13
Steel – billets, wire rods and HB wire	19.30	25.03	14.70	18.78
Sponge Iron	8.09	8.70	6.16	6.53
Pellet	9.88	13.41	7.52	10.06
Power	46.94	31.69	42.55	30.85
Others (includes eco bricks and trading)	1.67	4.65	1.01	3.65
	100.00	100.00	100.00	100.00

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 1,02,199 MTs as against 1,06,107 MTs in previous year.

Product-wise Performance

The consolidated product wise performance matrix for the year 2025-26 is summarized hereunder:

Product	Production (MTs)		Sales (MTs)		Captive consumption (MTs)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Pellet (MT)	826,293	818,866	443,276	501,207	384,214	316,292
Sponge Iron (MT)	345,066	319,114	142,583	117,889	196,764	199,576
Steel Billet (MT)	204,827	205,130	39,387	30,718	165,418	173,697
Wire Rod (MT)	160,498	168,663	119,873	132,775	41,000	35,393
HB Wire (MT)	40,425	34,897	40,440	35,245	-	-
Ferro Alloys (MT)	200,095	183,190	195,274	180,910	3,532	3,181
Power (Mn Kwh)	6,122	3,990	4,477	2,572	653	1,086
Iron Ore (MT)	148,366	344,372	-	-	153,773	330,214
Coal (MT)	1,799,998	1,679,998	158,364	353,989	1,465,781	1,319,681

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Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios, alongwith detailed explanations thereof including:

Ratios	Standalone			Consolidated		
	2025-26	2024-25	% Change and Reason	2025-26	2024-25	% Change and Reason
Debtors Turnover (Days)	15.24	9.18	66.01%- Increased primarily due to increase in average trade receivables due to merger of SKS Power Generation Chhattisgarh Ltd. in F.Y. 2024-25	15.95	10.87	46.73% - Increased primarily due to increase in average trade receivables due to merger of SKS Power Generation Chhattisgarh Ltd. in F.Y. 2024-25
Inventory Turnover (Days)	49.72	40.31	23.34%	51.41	45.11	13.97%
Interest Coverage Ratio (Times)	13.08	12.03	8.73%	6.56	6.95	(5.61%)
Current Ratio (Times)	10.56	6.34	66.56% - Increased primarily due to increase in current assets on account of additional investment made during the year.	4.50	3.06	47.06% - Increased primarily due to increase in current assets on account of additional investment made during the year.
Debt Equity Ratio (Times)	0.20	0.24	(16.67%)	0.32	0.41	(21.95%)
Operating Profit Margin (%)	23.71%	20.35%	16.51%	21.13	16.06	31.56% - Increased due to increase in operating income on account of power sales of IPP division, which includes profit of 12 months in FY 2025-26 instead of 7 months in FY 2024-25
Net Profit Margin (%)	21.89%	17.45%	25.44% - Increased primarily due to increase in PAT on account of power sales of IP division, which includes profit of 12 months in FY 2025-26 instead of 7 months in FY 2024-25.	19.50	15.12	28.97% - Increased primarily due to increase in PAT on account of power sales of IPP division, which includes profit of 12 months in FY 2025-26 instead of 7 months in FY 2024-25.
Return on Net Worth (%)	14.13%	12.78%	10.56%	15.05	13.56	10.99%

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established a robust internal control framework that is appropriate for the size and nature of its business. These controls are designed to ensure the orderly conduct of operations, safeguard assets, maintain the accuracy of financial records and ensure compliance with applicable laws, regulations and internal policies. The internal financial controls relating to the preparation of financial statements were reviewed during the year and were found to be adequate and operating effectively.

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To support efficient business operations, the Company uses SAP and other integrated information systems across key functions including finance, procurement, production, inventory, sales and human resources. These systems help improve process control, strengthen information flow across departments and provide timely management information for effective decision-making. The accounting software maintains an audit trail and edit log for all applicable transactions. These features remained operational throughout the year and have been preserved in accordance with the applicable statutory requirements.

The Company has appointed an independent professional firm as its Internal Auditor to review the adequacy and effectiveness of its internal control systems, risk management practices and governance processes. The Internal Auditor works under a scope approved by the Audit Committee and submits its observations directly to the Committee, ensuring an independent assessment of the Company's control environment.

The Audit Committee periodically reviews the internal audit reports, discusses key observations with the Internal and Statutory Auditors and monitors the implementation of corrective actions wherever required. The Committee also reviews the effectiveness of internal controls across the Company's operations and subsidiaries and keeps the Board informed of significant observations and actions taken.

The Company follows a structured planning and performance review process across its businesses. Annual operating plans are monitored regularly and actual performance is reviewed against approved targets, enabling timely corrective action wherever required. Clearly defined policies and operating procedures govern important functions such as procurement, production, finance, treasury and human resources, ensuring appropriate authorisation, accountability and financial discipline across the organisation.

Information security also remains an important area of focus. The Company continues to strengthen its IT systems through appropriate user access controls, regular system monitoring, periodic data backup, network security measures and independent security reviews. These initiatives help protect business information, support operational continuity and strengthen the reliability of the Company's digital systems.

RISKS AND CONCERNS

SEML's diversified business portfolio and integrated operating structure provide a strong foundation for managing business risks. As the Company continues to expand across power generation, mining and manufacturing, sustained focus on project execution, operational efficiency, financial discipline and regulatory compliance remains central to its long-term success. The Company regularly reviews potential risks and implements appropriate measures to minimise their impact on business performance.

- Timely execution of ongoing expansion projects remains important to achieving the Company's planned growth objectives. Any delay in implementation may postpone the expected operational and financial benefits.
- The successful development of the Company's coal mining projects requires timely statutory approvals and land acquisition, efficient project execution and adequate supporting infrastructure.
- Maintaining consistent operational performance across manufacturing facilities, power plants and mining operations remains important for sustaining productivity, cost efficiency and customer commitments.
- The Company continues to focus on improving equipment reliability, plant availability and preventive maintenance to minimise operational disruptions.
- Availability of skilled manpower and specialised technical expertise remains important for supporting existing operations as well as future expansion projects.
- Information technology systems, digital infrastructure and cybersecurity continue to receive management attention to ensure business continuity and protect operational data.
- Health, safety and environmental management remain integral to all operating locations, with continuous emphasis on maintaining safe workplaces and responsible operating practices.
- Compliance with applicable statutory, environmental and regulatory requirements remains an ongoing priority across all businesses and project locations.
- The Company continues to maintain a prudent financial approach with emphasis on liquidity

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management, disciplined capital allocation and efficient utilisation of financial resources.

- Business continuity planning, periodic risk assessments and internal control systems are regularly reviewed to strengthen organisational preparedness and minimise operational disruptions.
- Management continues to monitor emerging business risks and changing market conditions, enabling timely decisions that support sustainable growth while safeguarding stakeholder interests.

The Company has established a structured Enterprise Risk Management framework that enables the identification, evaluation and monitoring of key business risks across its operations. Risks are reviewed periodically by the management and the Board, with appropriate mitigation measures implemented wherever necessary. Supported by its diversified business portfolio, integrated operations, experienced management team and strong governance practices, SEML remains well placed to manage business uncertainties while continuing to pursue sustainable long-term growth.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

At Sarda Energy & Minerals Limited, people continue to remain the foundation of operational excellence, manufacturing strength and long-term business sustainability. In an industry driven by scale, efficiency and technical expertise, the Company believes that a motivated, skilled and future-ready workforce plays a critical role in delivering consistent performance across its integrated business operations.

The Company remains committed to fostering a work culture that encourages accountability, collaboration, safety and continuous improvement. Efforts continue to be directed toward creating an inclusive and performance-oriented environment where employees are empowered to contribute meaningfully to organisational growth while also pursuing professional development and career progression opportunities. As the business continues to evolve across steel, ferro alloys, mining and power operations, the Company places strong emphasis on capability enhancement, technical skill development and leadership building. Regular training initiatives, operational learning programmes and functional development interventions are undertaken to strengthen workforce productivity, improve process awareness and enhance adaptability to changing business and technological requirements.

The Company also recognises the importance of employee engagement and harmonious industrial relations in maintaining operational stability across manufacturing facilities. Continuous dialogue, transparent communication and proactive grievance redressal mechanisms continue to support a healthy and positive work environment. Industrial relations remained cordial across all units during the year under review. In parallel, the Company continues to strengthen its focus on workplace safety, employee well-being and responsible people practices. Various initiatives relating to health awareness, safety training and employee welfare are regularly undertaken to reinforce a culture of care and operational discipline across locations.

The Company believes that strong human capital practices not only support business continuity and operational resilience, but also contribute meaningfully toward building a sustainable and future-ready organisation. As on 31st March 2026, the Company had 1576 employees on its payroll.

CORPORATE SOCIAL RESPONSIBILITY

Sarda Energy & Minerals Limited continues to view corporate social responsibility as an integral pillar of sustainable value creation, strengthening the relationship between its expanding industrial footprint and the communities that surround its operations. During FY 2025-26, the Company further broadened the scale and diversity of its community initiatives across healthcare, education, women empowerment, skill development, youth engagement, rural infrastructure and livelihood enhancement. Its programmes increasingly focused on creating long-term developmental outcomes rather than one-time interventions, reflecting a structured approach towards improving quality of life in neighbouring communities. By aligning its CSR initiatives with local priorities and encouraging active participation from community stakeholders, the Company continues to foster inclusive growth while reinforcing its commitment to responsible business practices.

The year witnessed several impactful initiatives across Chhattisgarh, including healthcare outreach through physiotherapy and cancer screening programmes, support for eye-care services, career counselling for students, self-defence training for girls, livelihood generation through mushroom cultivation, promotion of sports and youth development, assistance to educational institutions, and the creation of community infrastructure such as roads, community halls and

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public facilities. The Company also partnered with government bodies, educational institutions and social organisations to enhance the reach and effectiveness of these programmes. As SEML continues to expand across mining, metals and energy, it remains committed to ensuring that its growth translates into meaningful socio-economic progress by building stronger communities, expanding opportunities and creating sustainable value beyond its business operations.

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and

estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments.

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 stakeholders.
- **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 2025-26, the Board of Directors comprised of nine directors, including two wholetime promoter directors, one wholetime professional director, one non-executive promoter director and five independent directors. The independent directors are eminent professionals, having rich 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 March 31, 2026, are as under:

Names of the Directors	Category	No. of other Directorships held*	Member/ Chairman of other Board committees@	No. of shares held in the Company
Mr. Kamal Kishore Sarda [^] #	Promoter/Executive	5	-	56,26,084
Mr. Pankaj Sarda [^] &	Promoter/Wholetime	11	2	67,14,410
Mr. Anant Sarda [^] §	Promoter/ Non-Executive	5	-	78,52,890
Mr. Padam Kumar Jain	Professional/Wholetime	-	-	97,880
Ms. Tripti Sinha	Independent	-	-	NIL
Mr. Amal Kumar Debnath	Independent	-	-	NIL
Mr. Binoy Parikh	Independent	3	4	NIL
Mr. Rajeev Sharma	Independent	8	3	NIL
Mr. Upendra Prasad Singh	Independent	7	3	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, Mr. Pankaj Sarda and Mr. Anant Sarda, no other director is

related to any other director in any manner. Mr. K.K. Sarda is father of Mr. Pankaj Sarda and Mr. Anant Sarda.

Appointed as Chairman w.e.f April 01, 2025

& Appointed as Managing Director w.e.f April 01, 2025

§ Appointed as Non Executive Director w.e.f April 01, 2025

Corporate Governance Report

2.2 Board Meetings

During the year ended March 31, 2026, five Board Meetings were held as detailed hereunder:

i)	April 11, 2025	ii)	May 24, 2025	iii)	August 02, 2025
iv)	November 10, 2025	v)	February 7, 2026		

The attendance record of the Directors at the Board Meetings during the year ended on March 31, 2026 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. Anant Sarda	3	Yes
Mr. Padam Kumar Jain	4	Yes
Ms. Tripti Sinha	5	Yes
Mr. Amal Kumar Debnath	5	Yes
Mr. Binoy Sandip Parikh	5	Yes
Mr. Rajeev Sharma	5	Yes
Mr. Upendra Prasad Singh	5	Yes

2.3 Details of directorships as on March 31, 2026 in other listed companies with category of Company's directors is as under:

S. No.	Name	Name of the Company	Designation
1.	Mr. Kamal Kishore Sarda	-	NA
2.	Mr. Pankaj Sarda	-	NA
3.	Mr. Anant Sarda	-	NA
4.	Mr. Padam Kumar Jain	-	NA
5.	Ms. Tripti Sinha	-	NA
6.	Mr. Amal Kumar Debnath	-	NA
7.	Mr. Binoy Sandip Parikh	Batliboi Limited	Independent Director
8.	Mr. Rajeev Sharma	JSW Energy Limited	Independent Director
9.	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.) Nearly 50 years of experience	Iron & Steel, Mining, Strategic Planning

Corporate Governance Report

S. No.	Name of Director	Qualification & Experience	Expertise
2	Mr. Pankaj Sarda	MS in Industrial Administration Nearly 23 years of experience	Strategic Planning, Production, Operations, General Management
3	Mr. Anant Sarda ^s	B.Sc Engineering and MBA Around 8 years of business experience	Budgeting, Costing, Treasury Operations, Investments plant operations
4	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 40 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
5	Ms. Tripti Sinha	B.E. (Electricals) Nearly 46 years of experience	Power
6	Mr. Amal Kumar Debnath	B. Tech, Mining Nearly 43 years of experience	Mining and related matters
7	Mr. Binoy Parikh	Chartered Accountant About 13 years of experience	Accounting, controls, capital market regulation, Amalgamation & Mergers, Taxation
8	Mr. Rajeev Sharma	B.Tech in Electrical Engineering Nearly 42 years of experience	Power sector
9	Mr. Upendra Prasad Singh	B. Tech in Mechanical Engineering, IAS Nearly 40 years of experience	Administration

§ Appointed w.e.f April 01, 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 the following link on the website of the Company: Familiarisation Programmes

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 2025-26.

Kamal Kishore Sarda
Chairman"

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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 September 24, 2026 are given as under:

1	Name	Mr. Anant Sarda (DIN: 07908187)
2	i) Age	30 years
	ii) Qualification	B.Sc Engineering from Purdue University, Indiana, USA and MBA from London Business School UK
	iii) Date of appointment	01.04.2025
3	Experience	Around 7 years of business experience in Budgeting & Costing related matters, Treasury Operations, Investments and related activities, Review of plant operations and implementation of efficiency improvement projects and Investor Relations Management.
4	Terms & Conditions of re-appointment	Mr. Anant Sarda is Non-Executive Non-Independent Director of the Company, liable to retire by rotation. Other terms and conditions are as approved by the members through postal ballot dated 22.03.2025.
5	Remuneration last drawn (including sitting fees, if, any)(per annum)	₹ 0.255 crore (F.Y. 2025-26)
6	Remuneration / Sitting Fees proposed to be paid per month	Commission as per the terms of remuneration for non-executive directors approved by the members at the 41st AGM. Sitting fees as paid to non-executive / independent directors.
7	Other Directorships	Comienzo Agri Science Limited Prem Agriculture And Property P Limited Kalyani Coal Mining Private Limited Chhatisgarh Investments Limited Parvatiya Power Limited Shree Ram Business Park Private Limited
8	Chairman/ Member of Committees	Comienzo Agri Science Limited Member-Nomination & Remuneration Committee Chhatisgarh Investments Limited Chairman- Risk Management Committee Chairman- IT Steering Committee Chairman- Asset Liability Management Committee Chairman- Committee of Executives Chairman-Review Committee Member- IT Strategy Committee Member- Corporate Social Responsibility Committee
9	Shareholding in the Company	78,52,890 Equity shares
10	No. of Board Meetings attended /held during Financial Year 2025-26	3/5

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11	Relationship with Directors	Mr. Kamal Kishore Sarda, Chairman and Mr. Pankaj Sarda Managing Director of the Company are relatives of Mr. Anant Sarda, as per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014.
12	Listed entities from which resigned in the past three years	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
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, WTD & CFO
Mr. Pankaj Sarda	Mr. Pankaj Sarda
	Mr. Manoj Kumar Shah
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 2025-26:

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	1	NA	NA
Mr. Pankaj Sarda	4	NA	NA	1	0
Mr. Padam Kumar Jain	NA	NA	NA	2	1
Ms. Tripti Sinha	4	2	NA	2	NA
Mr. Amal Kumar Debnath	NA	NA	3	2	1
Mr. Binoy Parikh	4	NA	NA	NA	1
Mr. Rajeev Sharma	4	NA	3	NA	NA
Mr. Upendra Prasad Singh	NA	2	3	NA	NA
Mr. Anant Sarda	NA	NA	NA	NA	NA

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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:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

- specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- devising a policy on diversity of board of directors;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- carrying out any other function as is mentioned in the terms of reference of the committee.

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

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

The Executive Directors have been paid remuneration as per terms of their appointment. The Non-Executive Directors have been paid sitting fees for meetings of the Board and/or Committees attended by them. Also, pursuant to the approval of members, Non-Executive Independent Directors have been paid Commission on the net profits of the Company for the year 2025-26.

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

(₹ in crore)

Name of the Director	Salary & Allowances	Perquisites	Retiral Benefits	Commission [@]	Total*	Stock Options granted [#]
Mr. Kamal Kishore Sarda	2.446	0.286	0.075	7.000	9.807	NIL
Mr. Pankaj Sarda	1.363	0.192	0.075	7.000	8.630	NIL
Mr. Padam Kumar Jain [^]	0.990	0.052	0.075	1.250	2.367	NIL

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* The above amount does not include contribution to gratuity fund, as separate figures are not available for Wholetime Directors.

@ Commission relates to the financial year ended March 31, 2026, which was approved by the Board on May 23, 2026 and paid during FY 2026-27.

No stock options were granted during the year

^ Also holds the office of CFO.

Contract period: Mr. K.K. Sarda, Chairman- Five years from April 1, 2025.

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

Mr. Padam Kumar Jain, Wholetime Director & CFO Five years from June 01, 2026. To retire by rotation.

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

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

(₹ in crore)

Name of the Director	Sitting fees	Commission@	Total
Mr. Amal Kumar Debnath	0.037	0.200	0.237
Mr. Binoy Parikh	0.035	0.240	0.275
Mr. Rajeev Sharma	0.039	0.240	0.279
Ms. Tripti Sinha	0.041	0.160	0.201
Mr. Upendra Prasad Singh	0.035	0.240	0.275
Mr. Anant Sarda	0.015	0.240	0.255

@ Commission relates to the financial year ended March 31, 2026, which was approved by the Board on May 23, 2026 and paid during FY 2026-27.

Except. Mr. Anant Sarda, who belongs to Promoter Group, none of the Non-Executive Directors has any material financial interest in the Company apart from the remuneration by way of fees and commission received by them from the Company and its subsidiaries during the year.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for:

- Resolution of the grievances of the security holders of the Company including complaints

related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- Measures taken for effective exercise of voting rights by shareholders.
- Service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

The number of complaints received during the year	:	During the year under review, out of 16 complaints (including one opening) 13 were resolved. 3 complaint were pending on March 31, 2026. 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	:	3 complaint was pending for redressal as on March 31, 2026. The same have been resolved.

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Corporate Social Responsibility Committee

The role of the Committee is to:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be

incurred on the activities referred to in clause (a) above; and

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

Risk Management Committee

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

Details of Senior Management and changes therein during the year

S. No.	Name	Designation	Change/No change
1	Mr. Padam Kumar Jain*	Chief Financial Officer	No change
2	Mr. Manish Sethi	Company Secretary	No change
3	Mr. Nilay Joshi	Executive Director	No change
4	Mr. Manoj Kumar Shah	Plant Head	No Change
5	Mr. S.K. Shome	Mining Head	No change
6	Mr. Arup Pal	Head IPP	Appointed w.e.f. 02.08.2025

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

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
25 th September 2025	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- - for re-appointment of Mrs. Tripti Sinha (DIN: 07837793) as Independent Director of the Company for five years, with effect from October 20, 2025; - to amend Articles of association of the Company; - to issue NCDs upto an aggregate amount not exceeding ₹ 1000 crore; were passed.
26 th 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- - for re-appointment of Mr. Kamal Kishore Sarda (DIN: 00008170) as Chairman & Managing Director of the Company for five years, with effect from April 01, 2025 - to issue NCDs upto an aggregate amount not exceeding ₹ 1000 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore; were passed.

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Date	Time	Location	Special Resolution Passed
28 th 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- - for appointment of Mr. Amal Kumar Debnath as Independent Director for a first term of five years w.e.f August 01, 2023; - for appointment of Mr. Binoy Sandip Parikh as Independent Director for a first term of five years w.e.f August 01, 2023; - to issue NCDs upto an aggregate amount not exceeding ₹ 1000 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore; were passed

Special Resolution(s) passed through Postal Ballot

During 2025-26, no Special Resolution was passed through Postal Ballot.

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

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 Lokshatta (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:	September 24, 2026
	: 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 September 24, 2026 (subject to approval of the shareholders at the AGM)
Financial calendar for 2026-27 (tentative)	:	
Financial results for the quarters ended:		
June 30, 2026	:	1 st week of August 2026
September 30, 2026	:	1 st week of November 2026
December 31, 2026	:	1 st week of February 2027
March 31, 2027	:	4 th week of May 2027 (audited)
Annual General Meeting (for F.Y. 2026-27)	:	September, 2027

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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 2026-27.
Registrar and share transfer agents (for physical and electronic)	Bigshare Services Private Limited Office No S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre Mahakali Caves Road Andheri (East), Mumbai - 400093 (M.H.)

Share Transfer System and related matters

Securities of the Company can be transferred only in dematerialised 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.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, 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.

SEBI has opened a special window from February 5, 2026 to February 4, 2027 for pending Transfer and Dematerialization of Physical Securities vide its Circular No. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dt. January 30, 2026. Any person meeting the conditions specified in the Circular may avail the opportunity for dematerialization of shares.

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.

Shareholders are advised to refer the latest SEBI guidelines/circulars issued for all the holders 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.

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:

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<https://iconnect.bigshareonline.com/Account/Login> - can be used to check holding details, raise / track service requests, raise / track grievances, download forms and procedures

<https://www.bigshareonline.com/InvestorLogin.aspx> - dedicated grievance link through which investor can directly raise a query

Shareholding pattern as on March 31, 2026

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	25,77,97,151	73.16
2.	Banks/MFs /FIs/Ins.Cos. /NBFCs/AIFs	1,17,06,564	3.32
3.	Foreign Portfolio Investors	1,23,57,140	3.51
4.	Bodies Corporate	82,51,745	2.34
5.	Individuals NRIs	19,84,937	0.56
6.	Resident Individuals	5,60,45,212	15.91
7.	IEPF Authority	19,90,670	0.56
8.	Others	22,47,851	0.64
	TOTAL*	35,23,81,270	100.00

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

Distribution of shareholding as on March 31, 2026

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	92,122	98.47	3,29,12,674	9.34
5,001 – 10,000	692	0.74	51,01,452	1.45
10,001 – 20,000	327	0.35	46,81,083	1.33
20,001 – 30,000	129	0.14	31,99,850	0.91
30,001 – 40,000	49	0.05	17,04,933	0.48
40,001 – 50,000	42	0.05	19,20,290	0.54
50,001 – 1,00,000	79	0.08	57,03,211	1.62
1,00,001 and above	110	0.12	29,71,57,777	84.33
Total	93550	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 March 31, 2026, out of the total 35,23,81,270 equity shares held by about 93,550 (PY 87,511) shareholders, 35,08,27,480 (PY 35,07,21,570) equity shares held by 92,217 (PY 86,065) shareholders representing 99.56% (PY 99.53%) of the total paid-up equity capital have been dematerialized.

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

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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	4	2,500
iii)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	*1	500
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	6	3,380

* shares released to the shareholder in April 2026.

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

7. Hedging of Risks

The Company has in place a Board approved policy which establishes the risk management framework and defines the procedures and controls for effective management of 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 November 15, 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-/Positive
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. 36 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.

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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 or any statutory authority, on any matter related to capital markets.

c) Whistle Blower policy

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

d) Compliance

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

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

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

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

Pursuant to the requirement of Regulation 30 of the SEBI Listing Regulations, the Company

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

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

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

In accordance with above provisions, the Company has transferred the unpaid dividend till the F.Y. 2017-18 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, as on March 31, 2026, the Company has transferred 19,90,670 shares (net of claims released by IEPFA) 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

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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

- ✓ Other policies

g) Web-links

1. Material Subsidiary Policy
2. Related Party Transaction Policy
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 ₹ 0.73 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 Private Limited (Formerly known as Sarda Hydro Power LLP)	Loan	7.57
2	Chhatisgarh Investments Limited	Loan	406.48

* Outstanding as on March 31, 2026.

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 Sindhvani & Co.	22/08/2022
2.	Sarda Metals & Alloys Limited	Mumbai 21/10/2008	Singhi & Co.	24/09/2020

Corporate Governance Report

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: 8200/2026

(CS KAMLESH OJHA)

PARTNER

FCS No.: 10807

CP No. : 14660

Place: Raipur (C.G.)

Date: August 01, 2026

UDIN: F010807H000982811

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 August 2, 2025.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Limited ('the Company') for the year ended on March 31, 2026, 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 March 31, 2026.

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.**

(Firm Registration no. 302049E)

Chartered Accountants

Sd/-

(**Sanjay Kumar Dewangan**)

Partner

M.No.409524

UDIN: 26409524USMWYH9057

Raipur
August 01, 2026

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 Industrial Growth Centre, 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	2025-26
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11	Paid-up Capital	₹ 35,23,81,270/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	BRSR Head Mr. Manoj Kumar Shah Head Operations mshah@seml.co.in +91 771-2216100
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Note: During FY 2025-26, the Company enhanced the scope and quality of its reporting including full year of information from SKS Power Generation (Chhattisgarh) Limited, whereas the previous reporting period reflected information of SKS only from 21st August 2024 onwards. The Company also strengthened its data tracking and reporting processes, resulting in revisions to certain calculation methodologies and disclosures. Selected metrics have been revised where appropriate to enhance consistency; however, prior period figures have not been fully restated for all reporting principles. Accordingly, the FY 2025-26 data may not be directly comparable with the previous year data. The Company will continue to refine its reporting framework to enhance consistency, transparency, and comparability in future reporting periods.
14	Name of Assurance Provider	Moore Singhi Advisors LLP
15	Type of Assurance obtained	Reasonable Assurance

Business Responsibility & Sustainability Report

II. Products/services

16. 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	37.27%
		Ferro Alloys	14.12%
		Power	46.94%

17. 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	46.94%
2	Pellet	24109	9.88%
3	Sponge Iron	24102	8.09%
4	Steel Billets	24103	3.45%
5	Wire Rod / HB Wire	24105	15.85%
6	Ferro Alloys	24104	14.12%

III. Operations

18. 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	-	-	-

19. Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	12
International (No. of Countries)	8

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

0.60%.

c. A brief on type 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.

Business Responsibility & Sustainability Report

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	1517	1483	97.76%	34	2.24%
2	Other than Permanent (E)	59	53	89.83%	6	10.17%
3	Total employees (D+E)	1576	1536	97.46%	40	2.54%
WORKERS						
4	Permanent (F)	425	425	100.00%	0	0.00%
5	Other than Permanent (G)	3474	3365	96.86%	109	3.14%
6	Total workers (F+G)	3899	3790	97.20%	109	2.80%

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	5	4	80.00%	1	20.00%
2	Other than Permanent (E)	0	0	0.00%	0	0.00%
3	Total differently abled employees (D+E)	5	4	80.00%	1	20.00%
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	0	0	0.00%	0	0.00%
5	Other than Permanent (G)	13	13	100.00%	0	0.00%
6	Total differently abled workers (F+G)	13	13	100.00%	0	0.00%

21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	1	11.11%
Key Management Personnel	1 ¹	0	0.00%

¹Excluding KMPs included in Board of Directors

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.28%	5.88%	7.25%	7.60%	0	7.60%	5.47%	1.00%	5.50%
Permanent Workers	2.82%	0.00%	2.82%	5.40%	0	5.40%	4.27%	0.00%	4.27%

Business Responsibility & Sustainability Report

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

23. (a) Name 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 Metals & Alloys Limited	Subsidiary	100.00%	No
2	Sarda Energy & Minerals Hongkong Limited	Subsidiary	100.00%	No
3	Sarda Global Venture Pte Limited	Subsidiary	100.00%	No
4	Sarda Global Trading DMCC	Subsidiary	100.00%	No
5	Sarda Renewable Energy Limited	Subsidiary	100.00%	No
6	Kalyani Coal Mining Private Limited	Subsidiary	100.00%	No
7	Chhattisgarh Hydro Power LLP	Subsidiary	100.00%	No
8	Madhya Bharat Power Corporation Limited	Subsidiary	84.65%	No
9	Sarda Hydro Power Private Limited	Subsidiary	60.00%	No
10	Paratiya Power Limited	Subsidiary	51.00%	No
11	Bartunga Coal Private Limited	Joint Venture	67.00%	No
12	Shriram Electricity LLP	Joint Venture	51.00%	No
13	Raipur Infrastructure Company Limited	Joint Venture	33.33%	No
14	Madanpur South Coal Company Limited	Joint Venture	20.13%	No
15	Natural Resources Energy Private Limited	Subsidiary Joint Venture	51.00%	No

VI. CSR Details

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

(i) Turnover in ₹ crore 4,333.69

(ii) Net worth in ₹ crore 6,713.16

Business Responsibility & Sustainability Report

VII. Transparency and Disclosures Compliances

25. 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 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, Whistle blower policy Vigil Mechanism.pdf	0	0	-	0	0	-
Investors (other than shareholders)	Yes, Grievance Redressal Policy SEML - Grievance Redressal Policy.pdf	0	0	-	0	0	-
Shareholders	SCORES / SMART ODR	16 ²	3	Pending complaints resolved post 31st March 2026	12	1	Pending complaint resolved in April 2025
Employees and workers	Yes, Whistle blower policy Vigil Mechanism.pdf	0	0	-	0	0	-
Customers		18	0	-	34	0	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0	0	-

²Includes one complaint pending on March 31, 2025

Business Responsibility & Sustainability Report

26. 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	Shopfloor-intensive operations involving heavy machinery, dust, heat exposure and material handling pose safety risks; stricter regulatory scrutiny and stakeholder expectations increase importance of robust safety systems.	Strengthening safety management systems through periodic risk assessments, digital incident tracking, enhanced PPE compliance, regular safety audits, behavioural safety training and preventive health check-ups.	Negative implications
2	Energy consumption	R	High dependence on conventional energy in manufacturing operations leads to increased operational costs and exposure to energy price volatility and carbon transition risks.	Improving energy efficiency through process optimization, adoption of energy-efficient equipment, gradual transition to renewable energy sources, and monitoring energy intensity KPIs.	Negative implications
3	Waste Management	O	Industrial processes generate recyclables and by-products which, if effectively utilized, can reduce disposal costs and improve circularity in operations.	NA	Positive implications
4	Emission control	R	Manufacturing activities result in air emissions and pollutants, leading to environmental impact and regulatory compliance risks, especially with tightening emission norms.	Installation and upgradation of air pollution control systems, continuous emissions monitoring, adoption of cleaner technologies and adherence to environmental standards.	Negative 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)
5	Water & Effluent Management	R	Water-intensive processes and effluent discharge obligations expose the company to resource scarcity risks and stricter water regulations, particularly in water-stressed regions.	Optimizing water consumption through recycling and reuse, implementation of Zero Liquid Discharge (ZLD) systems, strengthening STP/ETP infrastructure and periodic monitoring of discharge quality.	Negative implications
6	Responsible Investment	O	Integrating ESG considerations into investment decisions enhances long-term value creation, improves capital allocation efficiency and strengthens stakeholder confidence.	NA	Positive implications
7	Local Considerations	O	Business operations impact local communities; proactive engagement creates opportunities for community development and strengthens social license to operate.	NA	Positive implications
8	Human Capital Development	O	Skilled workforce is critical for operational efficiency and future growth; investment in employee training improves productivity, innovation and retention.	NA	Positive implications
9	Human Rights	R	Operations and value chain involve workforce and contractors, creating potential risks related to labor practices, workplace dignity and regulatory compliance.	Implementation of human rights policy, employee awareness programs, grievance redressal mechanisms, supplier due diligence and periodic compliance training.	Negative implications
10	Environmental Compliance	O	Strong compliance framework ensures alignment with evolving environmental regulations, avoiding penalties and enhancing corporate reputation.	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)
11	Materials	0	Efficient material usage and increased adoption of recycled inputs can reduce costs, improve sustainability performance and enhance resource efficiency.	NA	Positive implications
12	Life cycle Management of Assets	0	Lifecycle optimization of assets improves operational efficiency, reduces environmental footprint and lowers long-term capital and maintenance costs.	NA	Positive implications

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 – Sarda Energy & Corporate Governance								
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 entity has implemented ISO 45001:2018 (Occupational Health & Safety Management System) at its Raipur plant and ISO 9001:2015 (Quality Management System) across key manufacturing units to uphold workplace safety, maintain quality standards, and drive continuous improvement.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	✓ A new Producer Gas Plant (PGP) has been added to the pellet plant to generate clean producer gas for use as a fuel in the palletization process, thereby supporting process requirements and operational efficiency. ✓ To meet the prescribed environmental norms, two more additional field has been added to ESP-01 associated with FBC-1 in the power plant, thereby improving dust collection efficiency and reducing particulate emissions.								

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[illegible]

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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. We endeavour to improve health and safety, and community wellbeing along with workforce diversity and inclusion. 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. 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 Chairman of the Company is the highest authority responsible for implementation of all policies in the Company. However, the Board of Directors of the Company is the highest authority responsible for the oversight of the implementation of Business Responsibility Policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, Risk Management Committee. The Risk Management Committee is further Supported by other Statutory Committees and Board.								

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										Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	P 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)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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	5	Technical and Management	100%
Key Managerial Personnel	16	Technical and Management	100%
Employees	981	BBS Training, Safety, Health Awareness, Technical skill Development programme, Technical Skill upgradations	78.68%
Workers	334	Safety, Health Awareness, Technical Skill upgradations	24.24%

Business Responsibility & Sustainability Report

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	Principle 1	Goods and Services Tax (GST) Department	36,966	Short payment of Input Tax Credit (ITC) identified during assessment	No
	Principle 6	CECB Raigarh	30,000	Stack Emission Exceeding Norms for High Emission through Stack	No
	Principle 3	DDIH&S Raigarh	1,50,000	Occupational Health & Safety Unavailability of AFIH Doctor	No
	Principle 3	DDIH&S Raigarh	50,000	Occupational Health & Safety Unavailability of AFIH Doctor	No
	Principle 1	EPFO	71,025	Penalty for late payment of PF Late Payment of PF due to late registration of employee because of non-availability of Digital signature of SEML Authority	No
Settlement	All of the above				
Compounding fee	Nil	Nil	Nil	Nil	Nil
Non-Monetary					
Imprisonment	Nil	Nil	Nil	Nil	NA
Punishment	Nil	Nil	Nil	Nil	NA

Business Responsibility & Sustainability Report

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
	Nil

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

SEML - Anti Bribery and Anti Corruption Policy.pdf

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 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2025-26		FY 2024-25	
	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.

- Vendor Blacklisted and all Ash vehicle IWMMS Portal registered for disposal of Ash.
- Controlled through necessary maintenance of Equipments linked to high Emission.
- AFIH Doctor as per requirement of factory Act Hired.
- Authorised personnel digital signature updated in portal.

8. Number of days of accounts payables ((Accounts payable *365)/ Cost of goods/services procured) in the following format:

S. No.		FY 2025-26	FY 2024-25
i	Accounts payable (₹ in crore)	87.49	106.77
ii	Cost of goods/services procured (₹ in crore)	2,990.04	2,867.07
iii	Number of days of accounts payables	10.68 days	13.59 days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Business Responsibility & Sustainability Report

Parameter	Metrics	FY 2025-26	FY 2024-25
Concentration of Purchases	a) i Purchases from trading houses (₹ in Crore)	435.42	732.05
	ii Total Purchases (₹ in Crore)	2,990.04	2,867.07
	iii Purchases from trading houses as % of total purchases	14.56%	25.53%
	b) Number of trading houses where purchases are made from	700	599
	c) i Purchases from top 10 trading houses (₹ in Crore)	354.12	472.90
	ii Total Purchases from trading houses (₹ in Crore)	435.42	732.05
	iii Purchases from top 10 trading houses as % of total purchases from trading houses	81.33%	64.60%
Concentration of Sales	a) i Sales to dealers / distributors (₹ in Crore)	1,015.68	795.13
	ii Total Sales (₹ in Crore)	4,333.69	3,475.96
	iii Sales to dealers / distributors as % of total sales	23.44%	22.88%
	b) Number of dealers / distributors to whom sales are made	337	309
	c) i Sales to top 10 dealers/distributors (₹ in Crore)	461.50	270.77
	ii total sales to dealers / distributors (₹ in Crore)	1,015.68	795.13
	iii Sales to top 10 dealers/distributors as % of total sales to dealers / distributors	45.44%	34.05%
Share of RPTs in	a) i Purchases (Purchases with related parties) (₹ in Crore)	52.59	7.19
	ii Total Purchases (₹ in Crore)	2,990.04	1,582.77
	iii Purchases (Purchases with related parties/ total purchases)	1.8%	0.45%
	b) i Sales (Sales to related parties) (₹ in Crore)	30.75	54.40
	ii Total Sales (₹ in Crore)	4,333.69	3,475.96
	iii Sales (Sales to related parties / total sales)	0.71%	1.57%
	c) i Loans & advances (Loans & advances given to related parties) (₹ in Crore)	480.18	438.22
	ii Total loans and advances (₹ in Crore)	563.83	613.04
	iii Loans & advances (Loans & advances given to related parties / total loans and advances)	85.17%	71.48%
	d) i Investments (Investments in related parties) (₹ in Crore)	1,120.00	1,072.82
	ii Total Investments made (₹ in Crore)	2,289.20	1,428.94
	iii Investments (Investments in related parties / total investments made)	48.92%	75.08%

Business Responsibility & Sustainability Report

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	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	1. SEML Policy 2. MSME policy 3. HSE requirement 4. CSR Objectives 5. Quality management 6. Skill upgradation 7. Govt Schemes 8. Market Scenario upgradation	2%

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

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

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

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

	FY 2024-25	FY 2023-24	Details of improvements in environmental and Social impacts
R&D	Not quantified	Not quantified	The internal team continuously undertakes research and development (R&D) initiatives focused on optimizing power consumption, improving operational efficiency, and minimizing waste through effective utilization and recycling practices.
Capex	11.31%	9.66%	Reduction in environment pollution & Product carbon footprint, efficiency in production, reduction in water consumption.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

- b. If yes, what percentage of inputs were sourced sustainably?

90% of input material were sourced from suppliers who were empanelled offer verification of Statutory clearances, valid permits, and regulatory compliance requirement. This disclosure represents responsible sourcing based on legal and regulatory compliance of suppliers and does not imply certification of the environmental sustainability attributes of the Materials.

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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)	The Company has obtained authorization under Plastic Waste Management Rules as an importer and complies with Extended Producer Responsibility (EPR) requirements. The Company is regularly undertaking annual filings and ensuring compliance through authorized recyclers.
(b)	E-waste	E-waste generated from IT equipment, electrical components, and instruments is collected separately and stored safely to prevent damage and contamination. The entire quantity of e-waste is handed over only to CPCB-authorized dismantlers/recyclers for environmentally sound recycling. Proper records and documentation are maintained for compliance.
(c)	Hazardous waste	Hazardous waste such as used oil, coal tar, contaminated containers, empty barrels, phenolic water, and spent ion exchange resin is managed in accordance with statutory requirements. The waste is stored in designated hazardous waste storage areas with proper labelling and safety measures. Used oil, coal tar, contaminated containers, and empty barrels are handed over to authorized recyclers for environmentally sound recycling. Spent ion exchange resin is disposed of through co-processing in the power plant as per guidelines of the Central Pollution Control Board. Phenolic water is utilized for quenching in the ABC of the Sponge Iron Plant at Siltara premises, in accordance with the SOP of the Central Pollution Control Board. The Company follows the manifest system and submits annual returns (Form 4) to ensure full regulatory compliance.
(d)	other waste (Steel)	Other waste including fly ash, slag, and non-hazardous solid waste is effectively utilized or disposed of in an environmentally sustainable manner. Fly ash is supplied for cement manufacturing and brick making, while slag is used in brick plant. Domestic and biodegradable waste is managed through composting or municipal disposal systems.

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, EPR is applicable. The Company has obtained EPR authorization as an importer and is complying with the requirements.

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?

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.
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No Life Cycle Assessment has been conducted for this year

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
Environmental Concern: Fugitive emissions generated during operations and transportation activities may lead to air pollution and deterioration of ambient air quality.		
Action Taken: To control fugitive emissions and minimize air pollution, the company has engaged road sweeping machines, carried out regular water sprinkling, installed fog cannons and dust catchers, developed pucca roads, implemented wheel washing systems, and ensured proper covering of trucks with tarpaulin during transportation.		

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 2025-26	FY 2024-2025
Fly Ash/Bed Ash	11.11%	10.36%
Char/Dolochar	2.22%	1.30%
Silico Slag	6.16%	18.98%
MNO Slag	6.47%	4.39%
Induction Slag	7.06%	8.20%
Mill Scale	0.19%	0.20%
End Cutting Scrap	0.74%	0.78%

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 2025-26			FY 2024-2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastic (including packaging)	Not Applicable owing to nature of the business			Not Applicable owing to nature of the business		
E-Waste						
Hazardous Waste						
Other Waste						

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	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1483	1483	100.00%	1472	99.26%	0	0.00%	0	0.00%	421	28.39%
Female	34	34	100.00%	34	100.00%	34	100.00%	0	0.00%	19	55.88%
Total	1517	1517	100.00%	1506	99.27%	34	2.24%	0	0.00%	440	29.00%
Other than Permanent employees											
Male	53	52	98.11%	52	98.11%	0	0.00%	0	0.00%	1	2.00%
Female	6	5	83.33%	5	83.33%	6	100.00%	0	0.00%	0	0.00%
Total	59	57	96.61%	57	96.61%	6	10.17%	0	0.00%	1	2.00%

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	425	425	100.00%	425	100.00%	0	0.00%	0	0.00%	0	0.00%
Female	0	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	425	425	100.00%	425	100.00%	0	0.00%	0	0.00%	0	0.00%
Other than Permanent Workers											
Male	3365	3312	98.42%	696	20.68%	0	0.00%	0	0.00%	696	21.00%
Female	109	109	100.00%	54	48.54%	54	49.54%	0	0.00%	54	50.00%
Total	3474	3421	98.47%	750	21.59%	54	1.55%	0	0.00%	750	22.00%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

		FY 2025-26	FY 2024-25
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)	4.16	2.77
ii.	Total revenue of the Company (₹ in crore)	4,333.69	3,484.17
iii.	Cost incurred on well- being measures as a % of total revenue of the Company	0.10%	0.08%

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2. Details of retirement benefits, For Current Financial year and Previous Financial year

Benefits	FY 2025-26			FY 2024-25		
	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of Total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.18%	100.00%	Y	98.73%	100.00%	Y
Gratuity	96.00%	100.00%	Y	89.45%	100.00%	Y
ESI	14.53%	94.08%	Y	15.82%	89.31%	Y
Others, please specify						
NPS	7.61%	0.00%	Y	11.44%	0.00%	Y
Superannuation	29.31%	19.24%	Y	1.87%	0.00%	Y

Accessibility of Workplaces

3. 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.

Yes, SEML has an equal opportunity policy. The weblink is mentioned below SEML - Equal Opportunity Policy.pdf

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

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable			
Female	100%	100%	0.00%	0.00%
Total	100%	100%	0.00%	0.00%

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, The Company has grievance redressal mechanism for employees. There is also a grievance redressal procedure which includes subjects such as discharge/dismissed, 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 case, to the Audit committee.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

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

Category	FY 2025-26			FY 2024-25		
	Total employees / workers in respective category (A)	No. of employees / Workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1517	0	0.00%	No employees or workers were part of any Association or Union		
Male	1483	0	0.00%			
Female	34	0	0.00%			
Total Permanent Workers	425	0	0.00%			
Male	425	0	0.00%			
Female	0	0	0.00%			

8. Details of training given to employees and workers

Category	FY 2025-26					FY 2024-25				
	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	1536	471	30.66%	1267	82.49%	1468	1289	87.81%	875	59.60%
Female	40	11	27.50%	31	77.50%	30	29	96.67%	13	43.33%
Total	1576	482	30.58%	1298	82.36%	1498	1318	87.98%	888	59.28%
Workers										
Male	3790	393	10.37%	3096	81.69%	3381	385	11.39%	258	7.63%
Female	109	38	34.86%	70	64.22%	111	0	0.00%	0	0.00%
Total	3899	431	11.05%	3166	81.20%	3492	385	11.03%	258	7.39%

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9. Details of performance and career development reviews of employees and worker:

	FY 2025-26			FY 2024-25		
	Total (A)	No (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	1536	1447	94.21%	1468	1434	97.68%
Female	40	38	95.00%	30	30	100.00%
Total	1576	1485	94.23%	1498	1464	97.73%
Workers						
Male	3790	3070	81.00%	3381	389	11.51%
Female	109	55	50.46%	111	0	0.00%
Total	3899	3125	80.15%	3492	389	11.14%

10. Health and safety management system:

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

Yes.

Occupational health and safety management system has been implemented by the Company. The Company endeavours 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 regarding statutory health and safety requirements. It provides appropriate trainings to employees, contractor workers to help them work safely. The system helps in assessing risks and provides controls hazards in plant operational activities. The systems ensures that incidents are reported timely, investigated for root causes and deployment of lessons learnt to avoid repetition.

- 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 hazard identification and risk assessment procedures are in place. Some of them are enlisted below:

- Hazard Identification & Risk Assessment
- Quantitative risk assessment
- Inspections
- Audits
- Unsafe Observation identification (UA& UC)

Safety is reviewed as an important part of the operations review. The safety performance is reviewed on a continuous basis. The control measure is being put in place for each hazard as an elimination of hazard.

- 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 and can also raise their safety concerns for routine and non-routine jobs. Trainings on Hazards & safety awareness are being provided to workers. The company also runs "Suggestion Scheme" and reward the workers for suggesting improvements to mitigate such risks.

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

Yes

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11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category ³	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR)(per one million-person hours worked)	Employees	0	0
	Workers	0.85	0
Total recordable work-related injuries	Employees	0	0
	Workers	10	0
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

³Including the Contract workforce

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

- Hazard identification, Risk Assessment is being done.
- Safety Committees are in place inside plant to review the adequacy of resources for safety and to provide support for safety management system.
- Periodic safety audits and inspections are being done across sites.
- We have carried out Medical Examination as per Form-21 of all the workers/employees through authorized diagnostic centre.
- Near miss reporting by any employee/contract worker is in practice.
- Safety committee meeting is done once in a month
- External safety audit is done once in a year.
- Mega TBT is done once in month, and TBT is done on daily basis at respective workplaces.

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

	FY 2025-26			FY 2024-25		
	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	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

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	100.00%
Working Conditions	100.00%

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.

A detailed root cause investigation was conducted. Corrective and preventive actions were implemented based on the recommendations of DIHS and the independent safety assessment carried out by NIT Raipur.

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The effectiveness of the implemented actions was subsequently verified through follow-up inspections and compliance reviews to ensure sustained implementation and prevent recurrence of similar incidents. Learnings from the incident were communicated across the organization to strengthen the overall safety management system.

Leadership Indicators

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

Yes,

ESIC/GPA/GTL (for Permanent Employees)

ESIC/WC (For Workers)

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

Yes,

Final Bill is processed only after the submission of statutory dues paid supporting Documents. Duly Checked by HR and Finance. Non-complying value chain partners are blacklisted.

- 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 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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	2	0	0	0

- 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)

No

- 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	100.00%
Working Conditions	100.00%

- 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.

All contract workers undergo annual occupational health examinations through an external empanelled medical agency using Form-21 in compliance with applicable statutory requirements. In addition, periodic health camps are organized through the on-site Occupational Health Centre. Vision examinations for crane operators and vehicle drivers are conducted through Form-35 at prescribed intervals. The plant also provides an in-house physiotherapy (F95) facility to support workers' physical fitness, early management of musculoskeletal discomfort, rehabilitation, and overall occupational well-being. Any observations identified during health assessments are addressed through appropriate medical advice, fitness evaluation, physiotherapy support, and timely follow-up, wherever required.

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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, Grievanceredressalmechanisms, Notice boards	Intranet -Daily / event based Emails – As and when required	To keep employees abreast of key developments happening in the Company and also addressing their grievances
Customers	No	Customer meets, Official communication channels: Advertisements, publications, website, conferences events, Phone calls, emails and meetings	Frequent and as and when required	To acquire new customers and service the existing ones. Grievance redressal.
Institutions & Industry Bodies	No	Networking through meetings, brainstorming sessions, discussions, etc.	As and when required	To discuss points of common interest and to interact with Regulators

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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 update 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.

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 150 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

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source of income through micro businesses such as tailoring, dairy farming, homemade 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 2025-26			FY 2024-25		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
EMPLOYEES						
Permanent	1517	39	2.57%	1498	0	0.00%
Other than permanent	59	0	0.00%	0	0	0.00%
Total Employees	1576	39	2.47%	1498	0	0.00%
WORKERS						
Permanent	425	0	0.00%	407	0	0.00%
Other than Permanent	3474	59	1.70%	3085	0	0.00%
Total Workers	3899	59	1.51%	3492	0	0.00%

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

Category	FY 2025-26					FY 2024-25				
	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	1483	14	1.00%	1469	99%	1468	0	0.00%	1468	100.00%
Female	34	0	0.00%	34	100%	30	0	0.00%	30	100.00%
Other Than Permanent										
Male	53	25	47.00%	28	53.00%	0	0	0.00%	0	0.00%
Female	6	3	50.00%	3	50.00%	0	0	0.00%	0	0.00%
Workers										
Permanent										
Male	425	9	2.00%	416	98.00%	407	0	0.00%	407	100.00%
Female	0	0	0.00%	0	0.00%	0	0	0.00%	0	0.00%
Other Than Permanent										
Male	3365	2723	81.00%	642	19.00%	2974	2374	79.83%	600	20.17%
Female	109	102	94.00%	7	6.00%	111	111	100.00%	0	0.00%

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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)	8	27,70,000	1	20,10,000	-	-
Key Managerial Personnel	1	36,00,000	-	-	-	-
Employees other than BoD and KMP	1536	5,09,488	40	2,53,272	-	-
Workers	3790	1,72,800	109	1,34,160	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26	FY 2024-25
Gross wages paid to females (₹ in crore)	3.10	2.83
Total Wages (₹ In Crore)	183.98	162.10
Gross wages paid to females as % of total wages	1.69%	1.74%

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 established a grievance redressal process for the investigation and resolution of employee concerns. All employees can register their grievances with the HR department, where issues are duly reviewed and addressed. Depending on the nature of the grievance received, a committee is formed to investigate the matter. The committee reviews the grievance along with the relevant facts and evidence and submits a report for further action, subject to the approval of the competent authority. The company also has various rules and policies in place that clearly define employee responsibilities and acceptable standards of conduct.

Business Responsibility & Sustainability Report

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

	FY 2025-26			FY 2024-25		
	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	0	NA	NA	0	NA	NA
Discrimination at workplace	0	NA	NA	0	NA	NA
Child Labour	0	NA	NA	0	NA	NA
Forced Labour/ Involuntary Labour	0	NA	NA	0	NA	NA
Wages	0	NA	NA	0	NA	NA
Other Human rights related issues	0	NA	NA	0	NA	NA
Others	0	NA	NA	0	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2025-26	FY 2024-25
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	-
ii) Complaints on POSH as a % of female employees / workers	0	-
iii) Complaints on POSH upheld	0	-

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 safe guards to prevent adverse consequences to the complaint.

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

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

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 9 above.

Not Applicable

Business Responsibility & Sustainability Report

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Not required.
- Details of the scope and coverage of any Human rights due diligence conducted.
None
- 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.
- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour/Involuntary Labour	0
Wages	0
Others – please specify	0

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.
Not Applicable

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Note:

- During the reporting year, the reporting boundary for Principle 6 disclosures has been expanded to include all manufacturing locations and both mining operations. Consequently, the corresponding previous year's figures have also been restated, wherever applicable, to ensure comparability and consistency with the revised reporting boundary and methodology.
- Given the nature of the business, which encompasses both power generation and metal production, intensity ratios for all environmental indicators i.e total energy, water, emissions, and waste are reported per MWh of power generated and per MT of metal produced.

Essential Indicators

- Details of total energy consumption (in GJ) and energy intensity, in the following format:

Parameter	FY 2025-26	FY 2024-25
From renewable sources		
Total electricity consumption (A)	439.01	539.01
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	439.01	539.01
From Non-Renewable sources		
Total electricity consumption (D)	1,33,969.03	1,10,595.81
Total fuel consumption (E)	8,88,09,306.97	3,72,92,694.32

Business Responsibility & Sustainability Report

Parameter	FY 2025-26	FY 2024-25
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	8,89,43,276	3,74,03,290.49
Total energy consumed (A+B+C+D+E+F)	8,89,43,715.01	3,74,03,829.14
Energy intensity per rupee of turnover (Total energy consumed / Turnover in ₹)	0.00205	0.00107
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Turnover adjusted for PPP in ₹)	0.04175	0.02218
Energy intensity in terms of physical output - Production (Total energy consumed / Total production)(GJ/MT)	24.66426	22.99769
Energy intensity in terms of physical output - Power Generation (Total energy consumed / Total power generation)(GJ/MWh)	21.40602	16.71127
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes, Moore Singhi Advisors LLP

- 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. Notified target is under PAT scheme – 0.5802 TOE/Tonne & company has achieved – 0.5788 TOE/Tonne.

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

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,28,76,243	82,71,693
(ii) Groundwater	11,43,271.10	3,12,638.28
(iii) Third party water	24,246	25,356
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,40,43,760.10	86,09,687.28
Total volume of water consumption (in kilolitres)	1,36,47,499.10	86,09,687.28
Water intensity per rupee of turnover (Total water consumption / turnover in ₹)	0.000315	0.000239
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Turnover adjusted for PPP in ₹)	0.00641	0.00511
Water intensity in terms of physical output - Production (Total water consumption / Total production)(KL/MT)	3.78448	5.29365
Water intensity in terms of physical output - Power Generation (Total water consumption / Total power generation)(KL/MWh)	3.28453	3.86463
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

Yes, Moore Singhi Advisors LLP

Business Responsibility & Sustainability Report

4. Provide the following details related to water discharged:

Parameter	FY 2025-26	FY 2024-25
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 (Municipal Sewers)	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

Yes, Moore Singhi Advisors LLP

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'. Wastewater 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:

Parameter	Please specify unit	FY 2025-26	FY 2024-25 ⁴
NOx	mg/Nm ³	5,617.92	5,318.60
SOx	mg/Nm ³	10,148.31	8,203.30
Particulate matter (PM)	mg/Nm ³	749.99	760.78
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

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

No

Business Responsibility & Sustainability Report

⁴Until the Previous year (PY), the data was reported in the unit Tonnes/day. From FY 26 onwards, the reporting unit has been revised to mg/Nm³, and the PY data has been restated accordingly to ensure comparability.

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	84,78,540.95	16,17,121.47
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	26,421.67	22,334.21
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Turnover in ₹)	tCO ₂ e/₹	0.000196	0.000046
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 / Turnover adjusted for PPP in ₹)	tCO ₂ e/PPP	0.00399	0.00097
Total Scope 1 and Scope 2 emission intensity in terms of physical output – Production (Total Scope 1 and Scope 2 GHG emissions / Total production)	tCO ₂ e/MT	2.35844	1.00802
Total Scope 1 and Scope 2 emission intensity in terms of physical output – Power Generation (Total Scope 1 and Scope 2 GHG emissions / Total power generation)	tCO ₂ e/MWh	2.04688	0.73248
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.

Yes Moore Singhi Advisors LLP

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.
 1. The Company is adding a new ESP (two fields) in FBC Boiler 1 to avoid forced outages and to improve ESP availability to reduce the emission further.
 2. The Company has replaced the CE (Collecting Electrodes) and DE (Discharge Electrodes) of the old ESPs in FBC 1 and FBC 2 to improve efficiency, avoid forced outages, and enhance ESP availability as per environmental norms.
 3. The Company has installed an STP (Sewage Water Treatment Plant) with a capacity of 140 KL/day to comply with the conditions of EC and CTO.
 4. The Company has decided to install a 50 MW (DC) solar power plant. The installation has already been completed, and tentative power generation is expected to begin by November 26.
 5. The Company is adding additional bag filters at SID for capturing additional dust generated out of the process.
 6. The Company adding additional gas cleaning and cooling system for ferro alloys furnaces.

Business Responsibility & Sustainability Report

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

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.01	1.00
E-waste (B)	10.68	7.27
Bio-medical waste (C)	0.01	0.03
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	4.81	7.13
Radioactive waste (F)	0.00	0.00
Other Hazardous waste		
Please specify, if any. (G)	2300.27	2258.73
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) ⁵	85,09,496.58	15,48,357.94
Total (A+B + C + D + E + F + G + H)	85,11,812.36	15,50,632.1
Waste intensity per rupee of turnover (Total waste generated / Turnover in ₹)	0.000196	0.000043
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Turnover adjusted for PPP in ₹)	0.00399	0.00092
Waste intensity in terms of physical output – Total production (Total waste generated / total production)(MT/MT)	2.36034	0.95340
Waste intensity in terms of physical output – Total Power generation (Total waste generated / total power generation)(MT/MWh)	2.04853	0.69279
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
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	1,64,363.38	1,73,570.00
(ii) Re-used	27,517.00	27,656.00
(iii) Other recovery operations	0	12.24
Total	1,91,880.38	2,01,238.24
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.00	0.00
(ii) Landfilling	11,81,535.90	0.00
(iii) Other disposal operations	7,28,430.55	4,11,759.00
Total	19,09,966.45	4,11,759.00

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

Yes Moore Singhi Advisors LLP

Business Responsibility & Sustainability Report

⁵Note - The reported quantity of non hazardous waste generation comprises overburden (OB) and tailings waste. Both OB and tailings were backfilled within the designated premises of the mining area. No OB or tailings were sent to external landfills or disposed of at unauthorized locations.

The mines are operated and monitored in accordance with the approved Mining Plan, Environmental Clearance conditions and Rule 37 of the Mineral Conservation and Development Rules, 2017.

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 FY 25-26. The slag generated in production of steel and ferro alloys is also used in brick making and road construction. Details attached in annexure -1 sheet

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:

Sl. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
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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
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NIL

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, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sl. No	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Yes, Compliant with applicable environmental law / regulations / guidelines in India.

Business Responsibility & Sustainability Report

Leadership Indicators

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area	Raigarh
(ii) Nature of operations	Thermal Power Plant

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,04,41,701.00	-
(ii) Groundwater	0.00	-
(iii) Third party water	0.00	-
(iv) Seawater / desalinated water	0.00	-
(v) Others	0.00	-
Total volume of water withdrawal (in kilolitres)	1,04,41,701.00	-
Total volume of water consumption (in kilolitres)	1,00,45,440.00	-
Water intensity per rupee of turnover (Total water consumption / turnover in ₹)	0.00023	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Turnover adjusted for PPP in ₹)	0.00471	-
Water intensity in terms of physical output - Production (Total water consumption / Total production) (KL/MT)	2.78562	-
Water intensity in terms of physical output - Power Generation (Total water consumption / Total power generation) (KL/MWh)	2.41763	-
Water intensity (optional) - the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
-No treatment		
-With treatment - please specify level of treatment		
(ii) Into Groundwater	NA	NA
-No treatment		
-With treatment - please specify level of treatment		
(iii) Into 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		

Business Responsibility & Sustainability Report

Parameter	FY 2025-26	FY 2024-25
Total water discharged (in kilolitres)	NA	NA

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

No

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

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	Not yet assessed	Not yet assessed
Total Scope 3 emissions per rupee of turnover (Total Scope 3 emissions / Turnover in ₹)	tCO2e/₹		
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	

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.

NA

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:

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Upgradation of FAD Furnace E GCP	In Furnace E GCP Cooler tube assembly Initiative taken to replace the heat exchanger cooler tube bundle assembly & modify our ducting system from furnace hood to FD cooler with castable work inside the duct	To improve the furnace flue gas evacuation and reduce the deformation of duct line
2	Water conservation	Installation of 20 KLD STP at Ferro Alloys Division	The filter water used for gardening and planation work
3	Water conservation	Installation of 20 KLD STP at Power plant	The filter water used for gardening and planation work
4	Water Conservation	Installation of 40 KLD STP at Pellet plant	The filter water used for gardening and planation work
5	Reduction in fugitive emission	Installation of new Centralised Bag Filter at 500 TPD Product house	Clean environmental benefit, safety & legal obligation
6	Water Conservation	Installation of 10 KLD STP at Corporate office	The filter water used for gardening and planation work
7	Replacement of Turbine and generator	Old TG is being replaced with energy efficient new turbine and generator	Will reduce energy consumption and increase power generation

Business Responsibility & Sustainability Report

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

Yes

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 replacing on e TG set with energy efficient TG. We are also 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 impacts.

Not yet evaluated

8. How many Green Credits have been generated or procured:

a. By the listed entity	3,104 green credits and 1,25,280 kWh generated through solar power
b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners	Not Assessed

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations
19
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/ 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 anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

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

Business Responsibility & Sustainability Report

Leadership Indicators

- Details of public policy positions advocated by the entity

SI No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (yes/no)	Frequency of review by Board	Wen link, if available
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NA

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

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

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

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

Sl. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not Applicable

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

Grievances may be submitted via email to surendra.kl@seml.co.in or communicated directly to the Plant In-Charge, who is responsible for initiating appropriate action. All grievances received are systematically assessed and escalated to the relevant level based on their nature, complexity, and potential impact.

A structured resolution process is followed to ensure timely and effective redressal. The status and outcomes of all grievances, along with the actions taken, are periodically reviewed by senior management at the highest level to ensure accountability, transparency, and continuous improvement in grievance handling mechanisms.

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

	FY 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	14.40	6.04
Directly from within India	93.74	90.74

Business Responsibility & Sustainability Report

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 2025-26	FY 2024-25
Rural		
i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	54.40	24.75
ii. Total Wage Cost	183.98	122.30
iii. % of Job creation in Rural areas	29.57%	20.24%
Semi-urban		
i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	0.76	14.42
ii. Total Wage Cost	183.98	122.30
iii. % of Job creation in semi-urban areas	0.41%	11.80%
Urban		
i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	127.04	82.00
ii. Total Wage Cost	183.98	122.30
iii. % of Job creation in urban areas	69.05%	67.05%
Metropolitan		-
i. Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	1.78	1.14
ii. Total Wage Cost	183.98	122.30
iii. % of Job creation in metropolitan areas	0.97%	0.93%

(Place categorized as per RBI Classification System – rural / semi-urban / urban / metropolitan)

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):

Details of negative social impact identified	Corrective action taken
Nil	

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.	Chhattisgarh: Flood Relief	Bastar	51,000
2.	Chhattisgarh: Ekal Vidyalaya of FTS	Rajnandgaon	45,00,000
3.	(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/ No)	Yes	

Business Responsibility & Sustainability Report

(b) From which marginalized /vulnerable groups do you procure?	As part of its commitment to responsible sourcing and inclusive development, the Company engages with Self-Help Groups (SHGs), local micro-enterprises, and other community-based suppliers from vulnerable and underserved sections, wherever feasible.
(c) What percentage of total procurement (by value) does it constitute?	<5%

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
Not Ascertained				

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	Project: Niramaya Thru Niramaya Cancer Foundation	48	100% (Total Bene. 48 No.)
2	Project: Netritva by Netritva Sadhna Kendra Foundation	123	100% Total 125: (SC/ST -68, Gen:9, OBC-48)
3	Project: Smile by Spreading Smile Charitable Trust	1795	100% War victim families and children
4	Support to Specially Able Child Kopalwani (Deaf & dumb School)	19	100% SC/ST :3, OBC:14, Gen:- 2
5	Support to SOS Children village for the study	1	100% (No Parents)
6	Project: Sarthi (Udyanchal Trust Super speciality & Eye Care Hospital	5000	100% (Rajnandgaon)
7	Project: Netra Seva Karyakram : Drishti on Wheels (Community Eye Health Camp through Ambulance)	8144	60% (City & Villages)
8	Project: Saksham (Physiotherapy Camp by F95)	902	40% (OBC 60% & SC /ST -40%)
9	Project: Antariksha Sangwari Kendra (By IDYMS)	1800	100%
10	Project: Vidya (Higher Education Scholarship)	12	100% (Prathmikta Card: OBC-10 No. Gen-2 No.)
11	FTS (Ekal Vidyalaya) 150 Ekal Schools	30000	100%
12	Project Prayas (Teacher Support for school)	13	50%
13	Mobile Medical Unit: Project "Seva"	10265	100%
14	Nirdhan Kanya Vivah Yojna ABVM	20	100% ((BPL) Prathmikta Card holder)

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
 - Customer Complaints are received through mails.
 - Review Contracts & record the customer complaints, based on the nature of complaints, whether it's quality or commercial complaints, Commercial is attended by MKTG department & quality related immediately referred to the concerned QA department.
 - Get the complaint analysed by Quality & Production Managers.
 - If required our technical representative visit the customer's site for the sampling and further analysis, based on the result obtained decision taken, to either give the replacement or customer accepts the material
 - Find the Root Cause and take corrective action through Fault Analysis Report.
 - Evaluate the effectiveness of the corrective action.
 - Discuss in Management Review Meeting
 - To inform the customer about the corrective action in our organization to avoid such complaint (if asked by customer).
 - Feedback / customer perception. Feedback is in the form of verbal as well as via formal feedback form & repeated orders from same customers considered as customer is satisfied with our products /Services.
- 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 are not subject to any mandatory labelling requirements. Accordingly, no such labelling information is displayed on the products.
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

Category	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of Products	0	0	-	0	0	-
Quality of Products	18	0	-	34	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

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

Category	Number	Reasons for Recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

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

Yes. Data Privacy and Protection Policy / Information and Cyber Security 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 major issues related to advertising, delivery of services, cyber security, or data privacy were reported during the financial year. Therefore, no corrective actions were required.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - **0**
- Percentage of data breaches involving personally identifiable information of customers - **0%**
- 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 web link, if available).

Product specifications are clearly written on our website also (www.seml.co.in)

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

- Although our products are not hazardous, still we packed the materials in such a manner that it can be handled by customers in a safe manner.
- In export shipments we provide the MSDS sheet to the customers for the safe handling of the products

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

- In case of any major breakdown, intimation is sent to the customer immediately regarding supply disruption.
- While in case of planned shutdown, stock is accumulated in advance for the shutdown period to ensure there is no disruption in material supply.
- In case of any supply disruption caused by logistical issues, the same is intimated & restored immediately after the issue is resolved.

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)

- Not applicable

Annexure – 1

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 various parties. Char is also sold to 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.
Slag from process	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. Silico slag is used in brick making.
iron slag	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

Independent Assurance Report

To
The Board of Directors,
Sarda Energy & Minerals Limited,
Industrial Growth Centre, Siltara, Raipur,
Chhattisgarh- 493111.

Subject: Independent Reasonable Assurance Report on BRSR Core KPIs/Metrics in the Business Responsibility and Sustainability Report (BRSR) of Sarda Energy & Minerals Limited for the Financial Year 2025-26.

1. Introduction and Scope

Moore Singhi Advisors LLP ("Moore Singhi" or "we" or "us") has been engaged by Sarda Energy & Minerals Limited ("the Company" or "SEML") to provide independent reasonable assurance on Key Performance Indicators (KPIs) or Metrics under nine (9) ESG attributes (listed in Annexure 1) that form part of Business Responsibility and Sustainability Report ("BRSR Core").

The reporting criteria, chosen by the company, for this engagement comprise the following (collectively, the "Criteria", and the SEBI circulars referenced below, the "Circulars"):

- Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- SEBI Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023 on BRSR Core - Framework for assurance and ESG disclosures for value chain.
- SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 titled Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities, read with Chapter IV-B thereof (dealing with BRSR disclosures)
- Industry Standards on Reporting of BRSR Core issued vide SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024.

Our engagement has been conducted in accordance with the terms of the engagement letter dated 22 April 2026.

Our assurance on disclosures is for the period starting from April 1, 2025, to March 31, 2026. We have not performed any procedures for the earlier periods or any other elements included in the BRSR report, and therefore do not express any opinion thereon.

2. Boundary

The reporting boundary for the BRSR disclosures is on a standalone basis, covering SEML's operations across its five facilities in Chhattisgarh at Raipur (Siltara and Corporate Office), Raigarh (Binj Kot, Gare Palma, and Rajnandgaon). An on-site verification was conducted at Siltara, Binj Kot, and the Corporate Office.

3. Management Responsibilities

The Company's management is responsible for the selection of the reporting criteria, reporting period, reporting boundary, preparation, and disclosure of BRSR information and the BRSR Core KPIs/Metrics under the nine attributes as per "Format of BRSR Core" of the aforesaid Circulars. This responsibility includes stakeholder engagement, designing, implementing and maintaining adequate internal controls, including relevant policies and procedures, maintaining adequate records, performing appropriate calculations, and making estimates that are reasonable in the circumstances, and ensuring that they are free from material misstatement, whether due to fraud or error. The management and Board of Directors of the Company are also responsible for overseeing the Company's compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR. Moore Singhi was not involved in the preparation of the BRSR report, BRSR Core KPIs/Metrics and/or related backup data.

4. Moore Singhi's Responsibilities

Moore Singhi's responsibility is to provide reasonable assurance on the BRSR Core KPIs/Metrics based on the procedures we have performed and the evidence we have obtained from the Company. We do not accept or assume any responsibility for any other purpose or to any other person or organization. We have considered quantitative materiality and qualitative factors in (i) planning the scope of our work and evaluating the results of our work, and (ii) evaluating the effect of any identified misstatements in the BRSR Core. Moore Singhi expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement and for any damages in case erroneous data is reported. This assurance engagement relies on the assumption that all data and information provided by SEML is accurate and complete.

We conducted this engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, and the International Standard on Assurance Engagements (ISAE) 3410: Assurance Engagements on Greenhouse Gas Statements, as well as the terms of our engagement as agreed with the Company in the engagement letter dated 22 April 2026.

Those standards require that we plan and perform our engagement to obtain reasonable assurance about whether, in all material respects, the KPIs/Metrics presented to us are prepared in accordance with the Criteria chosen by the Company as per the aforementioned Circulars.

A reasonable assurance engagement includes performing procedures to obtain sufficient and appropriate evidence assessing the risk of material misstatement of the KPIs/Metrics disclosed in BRSR Core. In this connection, our procedures included:

- Performing process walkthroughs at selected locations to understand controls relevant to data capture, validation, and reporting of KPIs.
- Understanding and assessing data collection, aggregation, and reporting processes across divisions.
- Evaluating whether the methodologies, assumptions, and calculation approaches adopted by the Company are consistent with the Criteria.
- Conducting interviews with management and operational personnel responsible for BRSR Core data.
- Performing sample-based testing of underlying data and supporting documents across all nine attributes.
- Performing recalculations of selected KPIs, including verification of arithmetic accuracy, consistency of formulas with the methodology adopted.
- Obtaining written management representations confirming completeness, accuracy, and consistency of the reported information and related matters.

Exclusions:

- An opinion on the overall design, implementation, or operating effectiveness of the Company's internal control framework or IT general controls, beyond procedures performed as part of this assurance engagement.
- The Company's statements that describe expressions of opinion, belief, aspiration, expectation, aim, or future intentions, including forward-looking statements.
- Independent verification of the economic and/or financial performance indicators, which are derived from the Company's audited financial statements.

5. Inherent Limitations

The reliability of assurance on non-financial information is subject to uncertainties inherent in the assurance process. The lack of a significant universal body of established practice for measuring and evaluating non-financial information allows for different, but acceptable, measures and measurement techniques, potentially affecting comparability between entities. Specifically, the uncertainties in greenhouse gas (GHG) emissions estimation arise due to incomplete scientific knowledge, limitations in quantification models, and the assumptions or

conversion factors used to arrive at results. Due to these inherent limitations, there is a possibility that material misstatements in the BRSR Core KPIs/Metrics in the Report may remain undetected. The application of this assurance statement is limited to the aforementioned Circulars.

6. Opinion

Based on the procedures performed and evidence obtained, as described in Section 4, and on the information and explanations provided to us, including written management representations, we are of the opinion that the BRSR Core KPIs/Metrics mentioned in Annexure 1 of our report are prepared, in all material respects, in accordance with the Criteria chosen by the Company as per the aforementioned Circulars.

7. Restriction on Use

Our work was performed solely to assist management in meeting their responsibilities in relation to SEML's assurance requirements as per the Circulars. The report is addressed and provided to the Board of Directors of the Company, solely for the purpose of enabling it to comply with the aforementioned requirements of the Circulars. Accordingly, we do not accept or assume any liability or duty of care to any person other than the Board of Directors of the Company in connection with this report. Other than as described in Section 1, which sets out the scope of our engagement, we did not perform any assurance procedures on the remaining information. Accordingly, we do not express an opinion on that information.

8. Statement of Independence, Impartiality, and Competence

Moore Singhi is a professional services firm offering a range of services in assurance and advisory to both domestic and international clients across industries. We have complied with independence and ethical requirements, which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. This assurance engagement was conducted by a multidisciplinary team of professionals with deep knowledge in sustainability, ESG reporting principles and standards, and related assurance standards.

For and on behalf of Moore Singhi Advisors LLP,

Ravi Sankar Nori

Chief Operating Officer (ESG Services)

Date: August 01, 2026

Annexure 1

Sr. No.	Attribute	Parameter	BRSR Indicator
1	Greenhouse gas (GHG) footprint	Total Scope 1 emissions	Principle 6, Question 7 of Essential Indicators
		Total Scope 2 emissions	
		GHG emission intensity (Scope 1 + 2) based on revenue, PPP and physical output	
2	Water footprint	Total water consumption	Principle 6, Question 3 of Essential Indicators
		Water consumption intensity based on revenue, PPP and physical output	
		Water Discharge by destination and levels of Treatment	Principle 6, Question 4 of Essential Indicators
3	Energy footprint	Total energy consumed	Principle 6, Question 1 of Essential Indicators
		% of the energy consumed from renewable sources	
		Energy intensity based on revenue, PPP and physical output	
4	Embracing circularity - details related to waste management by the entity	Plastic waste, e-waste, bio-medical waste, construction and demolition waste, battery waste, radioactive waste, other hazardous waste, and other non-hazardous waste generated	Principle 6, Question 9 of Essential Indicators
		Total waste generated	
		Waste intensity based on revenue, PPP and physical output	
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	
		For each category of waste generated, total waste disposed by nature of disposal method	
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company	Principle 3, Question 1(c) of Essential Indicators
		Details of safety related incidents for employees and workers (including contract workforce e.g. workers in the company's construction sites)	Principle 3, Question 11 of Essential Indicators
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	Principle 5, Question 3(b) of Essential Indicators
		Complaints on POSH	Principle 5, Question 7 of Essential Indicators
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases - Directly sourced from MSMEs/ small producers and from within India	Principle 8, Question 4 of Essential Indicators
		Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Principle 8, Question 5 of Essential Indicators
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	Principle 9, Question 7 of Essential Indicators
		Number of days of accounts payable	Principle 1, Question 8 of Essential Indicators
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Principle 1, Question 9 of Essential Indicators

FINANCIAL SECTION

Independent

Auditor's Report

TO THE MEMBERS OF

SARDA ENERGY & MINERALS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SARDA ENERGY & MINERALS LIMITED** (the "Company"), which comprise the Balance Sheet as at 31st March, 2026, 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, 2026 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the 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 & Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position,

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Auditor's Report

financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 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

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the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most 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 except for the matters stated in Para (j) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rule, 2014.
 - 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, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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Auditor's Report

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- i) As stated in Note 53 to the standalone financial statements
 - (a) 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 at application level and the same has operated throughout the year for all relevant transactions recorded in the software, however, the feature of recording audit trail (edit log) facility was not enabled at database level to log any direct data changes for the accounting software used for maintaining the books of account. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with at application level. 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: 26409524NUQWXI4209

Raipur, May 23, 2026

Annexure 'A'

to the Independent Auditor's Report

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

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

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the 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, 2026 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 Auditor's 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:
- The Company has provided unsecured loans or advances in the nature of loans and provided security to any other entity during the year,
 - The Company has provided loans or advances in the nature of loans and corporate guarantee, or provided security to subsidiaries, associates & joint ventures during the year. The aggregate amount of loan or advances and corporate guarantee given during the year ₹ 101.00 crore and ₹ Nil respectively and the balance outstanding with respect to such loans provided at the balance sheet date was ₹ 73.70 crore and the corporate guarantee of ₹ 42.36 crore.
 - The aggregate amount of loan given during the year ₹ 1544.27 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 ₹ 489.06 Crore.
 - 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.
 - 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.
 - In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - 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 except in the following cases:

Name of the Borrower	Amount (₹ In crores)	Extended/ Renewed	% of total loan granted
Sarda Hydro Power LLP	4.69	Renewed	0.29%
Natural Resources Energy Private Limited	2.51	Renewed	0.15%
Parvatiya Power Limited	12.23	Renewed	0.74%
Eastern Supply Company	1.00	Renewed	0.06%
Pratyush Jalan	2.50	Renewed	0.15%
Ayush Jalan	2.50	Renewed	0.15%
Dipak Raheja	3.53	Renewed	0.21%
C P Sons	1.00	Renewed	0.06%
Leela Trading	1.50	Renewed	0.09%
Vyas & Co.	3.20	Renewed	0.19%
K K Vyas	1.25	Renewed	0.08%
Shiv Trading Company	3.45	Renewed	0.21%
B K Infrastructure Private Limited	8.70	Renewed	0.53%
Shabro Metallic Private Limited	5.00	Renewed	0.30%
Kamal Bidi Leaves Co.	2.00	Renewed	0.12%
Mosh Varya Infrastructure Limited	19.29	Renewed	1.17%

- 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.

Annexure 'A'

to the Independent Auditor's Report

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans or advances in the nature of loan repayable on demand/specific terms & condition	1645.27 Crore	1459.08 Crore	101.00 Crore
Percentage of loans or advances in the nature of loan to the total loan	100.00%	88.68%	6.14%

- 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.

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 31st March, 2026 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, 2026 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 March 2017	Customs Excise & Service Tax Appellate Tribunal
SGST Act, 2017	GST	0.18	April 2022 to March 2023	GST Appellate Tribunal
Custom Act, 1962	Custom Duty	0.20	April 2016 to March 2017	Customs Excise & Service Tax Appellate Tribunal
Custom Act, 1962	Custom Duty	0.53	September 2011	Appeal to be filed before Hon'ble Supreme Court
Custom Act, 1962	Custom Duty	2.75	April 2012 to May 2012	Appeal to be filed before Hon'ble Supreme Court

Annexure 'A'

to the Independent Auditor's Report

Name of the Statute	Nature of the Dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
CGST Act, 2017	Trans Credit	0.39	July 2017 to March 2018	Appeal to be filed before GST Appellate Tribunal
CGST Act, 2017	Trans Credit	0.16	July 2017 to March 2018	Appeal to be filed before GST Appellate Tribunal
CGST Act, 2017	GST	0.03	July 2017 to March 2019	Appeal to be filed before GST Appellate Tribunal
CGST Act, 2017	GST	0.08	July 2017 to March 2019	Commissioner (Appeals)
CGST Act, 2017	GST	1.72	April 2019 to March 2023	Appeal to be filed before Commissioner (Appeals)
CGST Act, 2017	GST	0.07	April 2021 to March 2022	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.	6.09	2010-11 to 2013-14	Appellate Authorities up to Commissioner 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	0.30	A.Y. 2020-21	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax Penalty	18.00	A.Y. 2023-24	Appeal to be filed Commissioner of Income Tax (Appeal)
Chhatisgarh Upkar Adhiniyam, 1981	Energy Development Cess	127.07	May 2006 to June 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).
- 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.

Annexure 'A'

to the Independent Auditor's Report

- (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.
- 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

Annexure 'A'

to the Independent Auditor's Report

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. (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing CSR project(s), the Company was required to transfer an amount of ₹ 0.84 crore to the Unspent Corporate Social Responsibility Account in accordance with Section 135(6) of the Companies Act, 2013. However, the Company has utilised the said amount towards the ongoing CSR project on/before 30 April 2026, hence, the said amount was not transferred to Unspent Corporate Social Responsibility Account.

For **Singhi & Co.**
(ICAI Firm Regn.302049E)
Chartered Accountants

Sanjay Kumar Dewangan
Partner

Membership number: 409524
UDIN: 26409524NUQWXI4209

Raipur, May 23, 2026

Annexure 'B'

to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **SARDA ENERGY & MINERALS LIMITED** (the "Company") as of 31st March, 2026 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 being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

Annexure 'B'

to the Independent Auditor's 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, 2026, 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.

Raipur, May 23, 2026

For **Singhi & Co.**
(ICAI Firm Regn.302049E)
Chartered Accountants

Sanjay Kumar Dewangan
Partner

Membership number: 409524
UDIN: 26409524NUQWXI4209

Balance Sheet

as at 31st March 2026

(₹ in Crore)

	Note	As at 31.03.2026	As at 31.03.2025
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	2	3,474.62	3,540.06
(b) Capital work-in-progress	2	444.45	319.21
(c) Right-of-use assets	2	59.57	55.57
(d) Investment Property	2	29.53	29.62
(e) Other Intangible Assets	2	45.70	34.59
(f) Financial Assets			
(i) Investments	3	1,121.45	1,074.27
(ii) Other Financial Assets	4	17.23	5.65
(g) Deferred tax assets (Net)	18	-	52.68
(h) Other Non-current Assets	5	166.33	188.02
		5,358.88	5,299.67
(2) Current Assets			
(a) Inventories	6	588.85	591.80
(b) Financial Assets			
(i) Investments	7	1,167.75	354.67
(ii) Trade receivables	8	189.58	172.34
(iii) Cash & cash equivalents	9	53.84	23.81
(iv) Bank balances other than (iii) above	10	610.85	465.48
(v) Loans	11(a)	563.83	613.04
(vi) Other Financial Assets	11(b)	18.81	6.01
(c) Other Current Assets	12	338.50	299.50
		3,532.01	2,526.65
TOTAL ASSETS		8,890.89	7,826.32
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13(a)	35.24	35.24
(b) Other Equity	13(b)	6,677.92	5,783.77
Total Equity		6,713.16	5,819.01
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,247.43	1,308.11
(ii) Lease liabilities	15	33.78	33.68
(iii) Other financial liabilities	16	36.62	21.53
(b) Provisions	17	263.61	245.56
(c) Deferred tax liabilities (Net)	18	261.69	-
		1,843.13	1,608.88
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	131.86	190.57
(ii) Lease liabilities	15	2.99	4.57
(iii) Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		12.16	3.40
(b) Total outstanding dues of creditors other than micro and small enterprises		75.32	103.37
(iv) Other financial liabilities	21	77.52	68.08
(b) Other current liabilities	22	30.98	24.64
(c) Provisions	23	3.77	3.80
		334.60	398.43
TOTAL EQUITY AND LIABILITIES		8,890.89	7,826.32

Material Accounting Policies

1.2

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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Crore)

	Note	Year Ended 31.03.2026	Year Ended 31.03.2025
I. Revenue from operations	24	4,333.69	3,484.17
II. Other income	25	235.39	119.70
III. Total Revenue (I + II)		4,569.08	3,603.87
IV. Expenses			
Cost of materials consumed	26	2,137.76	1,903.69
Purchases of Stock-in-Trade		137.41	72.40
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(22.81)	(26.29)
Employee benefits expense	28	166.23	135.03
Finance costs	29	132.38	97.14
Depreciation and amortization expense	2	210.36	150.03
Other expenses	30	544.67	443.11
Total Expenses		3,306.00	2,775.11
V. Profit Before Tax (III - IV)		1,263.08	828.76
VI. Tax expense			
(1) Current tax		-	(0.12)
(2) Deferred tax		314.37	220.82
VII. Profit for the period (V - VI)		948.71	608.06
Other comprehensive income for the year, net of tax	32		
Items that will not be reclassified to profit or loss		(1.70)	(2.34)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Comprehensive Income for the Year		947.01	605.72
VIII. Earnings per equity share	33		
Basic		26.92	17.26
Diluted		26.92	17.26

Material Accounting Policies 1.2
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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholtime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Corporate Overview

Statutory Reports

Financial Statements

Statement of Changes in Equity

for the year ended 31st March 2026

(₹ in Crore)

a Equity Share Capital

For the year ended 31st March 2025

Balance at 1st April, 2024	Changes in equity share capital during the year	Balance at 31st March, 2025
35.24	-	35.24

For the year ended 31st March 2026

Balance at 1st April, 2025	Changes in equity share capital during the year	Balance at 31st March, 2026
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 1 st 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

	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 1 st April, 2025	1,736.24	194.01	0.81	20.97	3,831.34	0.40	5,783.77
Other Comprehensive Income	-	-	-	-	(1.70)	-	(1.70)
Profit for the year	-	-	-	-	948.71	-	948.71
Final Dividends	-	-	-	-	(52.86)	-	(52.86)
Balance as of 31st March, 2026	1,736.24	194.01	0.81	20.97	4,725.49	0.40	6,677.92

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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Standalone Cash Flow Statement

for the year ended 31st March 2026

(₹ in Crore)

	Year Ended 31.03.2026	Year Ended 31.03.2025
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax as per statement of Profit & Loss	1,263.08	828.76
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	210.36	150.03
Finance Costs	132.38	97.15
Allowance/(Reversal) for credit losses on financial assets	0.71	(0.47)
Interest Income	(97.97)	(93.29)
Corporate Guarantee Commission	(0.96)	(0.93)
Net (Gain)/Loss pertaining to fair valuation of investments and foreign currency transaction	(39.47)	12.25
Dividend Income	(15.37)	(3.32)
(Profit)/ Loss on sale of investments	(27.49)	(10.31)
(Profit)/ Loss on sale of PPE and scrapping of assets	0.34	(1.39)
Share of (Profit)/loss in Partnership Firm	(43.85)	(21.05)
Operating profit before working capital changes	1,381.76	957.43
Changes in working capital		
Trade Receivables	(18.55)	(86.66)
Inventories	2.95	(165.02)
Trade Payables	(19.38)	38.52
Loans and advances and other assets	(59.67)	(157.52)
Liabilities and provisions	28.23	(12.80)
Cash generated from operations	1,315.34	573.95
Income Tax Paid	4.15	(23.82)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	1,319.49	550.13
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in PPE including capital advances	(262.72)	(276.93)
Consideration paid for acquisition of business	-	(1,783.98)
Sale proceeds of PPE	2.97	2.13
Investment made in Subsidiaries	(2.81)	(65.60)
Investment in FDR (made)/Liquidated	(145.35)	81.47
Other Investments (made)/liquidated	(746.08)	57.45
Loan/Interest repaid by/(given) to related parties	(41.97)	120.47
Loan/Interest repaid by/(given) to Others	91.01	(65.97)
Interest received	97.97	93.29
Dividend received	15.37	3.32
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(991.61)	(1,834.35)

Standalone Cash Flow Statement

for the year ended 31st March 2026

(₹ in Crore)

	Year Ended 31.03.2026	Year Ended 31.03.2025
	Audited	
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	1,358.17
Repayment of long term borrowings	(55.83)	(53.30)
Short term borrowings (net)	(60.78)	59.79
Finance cost	(123.89)	(96.08)
Dividend paid	(52.86)	(35.24)
Payment of Lease Liabilities	(4.49)	(1.42)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(297.85)	1,231.92
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	30.03	(52.30)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	23.81	76.11
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	53.84	23.81
Supplementary Information:		
Restricted Cash Balance	1.01	0.99

Notes

(a) Cash and cash equivalent include the following :

Cash on Hand	0.25	0.27
Balances with banks	53.59	23.54
	53.84	23.81

(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 1st April 2025	Cash Flow		Non cash changes		As at 31st March 2026
		Proceeds	Repayments	Ind AS/ other Adjustments	Classification changes	
Long Term Borrowings	1,308.11	-	(55.83)	(3.84)	(1.01)	1,247.43
Short Term Borrowings	190.57	-	(60.78)	1.06	1.01	131.86
Lease Liabilities	38.25	-	(4.49)	3.01	-	36.77

(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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

(₹ 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 previous year, the Company acquired SKS Power Generation (Chhattisgarh) Limited ('SKS'), which is primarily engaged in the business of power generation, pursuant to the Corporate Insolvency Resolution Process ('CIRP') under the Insolvency and Bankruptcy Code, 2016 ('IBC').

The Company is a public limited company incorporated in India having its registered office at 73A, Central Avenue, Nagpur- 440018, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

1.1 Basis of preparation of Financial Statements

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.

1.1.1 Statement of compliance

The financial statements for the year ended 31st March, 2026 were approved by the Board of Directors and authorized for issue on May 23, 2026.

1.1.2 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.

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

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.

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. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

g. Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

The Company included the renewal period as part of the lease term for leasehold properties with non-cancellable periods (i.e., 85 years).

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 sale of product is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other incentives, if any, as specified in the contract with the customer.
- Revenue from sale of power under the Independent Power Producer (IPP) business is recognized in accordance with Ind AS 115 upon transfer of control of electricity to the customer based on units supplied and tariff rates specified in the respective Power Purchase Agreements ("PPAs") / Letter of Award ("LOA"). Revenue relating to force majeure events, change in law claims and similar regulatory matters is recognized based on regulatory orders and reasonable certainty of ultimate collection. Late payment surcharge on delayed realization of power dues is recognized on receipt, customer acknowledgement or acceptance, whichever is earlier.
- Revenue from sale of power under the Captive Power Plant business is recognized from sale of surplus power based on applicable contractual or market-determined tariffs.

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.
- 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.
- Interest / surcharge on delayed payment of trade receivables from sale of power is recognized when there is reasonable certainty regarding its measurement and ultimate collection.

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

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

- 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 2026

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 is 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) Stripping Activity

In case of opencast mining, the mine waste materials ("overburden") which consists of soil and rock on the top of coal seam is required to be removed to get access to the coal and its extraction. The process of removing overburden to access coal is referred to as stripping. Stripping is necessary to obtain access to coal and occurs throughout the life of an opencast mine. Stripping costs during development and production phases are classified in property, plant, and equipment. Stripping costs are accounted for separately for individual mines.

The Company accounts for stripping activities as follows:

Stripping costs during the Development phase:

These are initial overburden removal costs incurred to obtain access to coal to be extracted. These costs are capitalized when it is probable that future economic benefits will flow to the Company and costs can be measured reliably. Once the production phase begins, capitalized development stripping costs are amortized over the mine life.

Stripping costs during the production phase:

These are overburden removal costs incurred after the mine has been brought to revenue as per the policy of the Company. Stripping costs during the production phase can give rise to two benefits, the extraction of coal in the current period and improved access to coal which will be extracted in future

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

periods. Stripping costs during the production phase are allocated between the inventory produced and the stripping activity asset using a standard strip ratio (overburden-to-coal). The standard strip ratio is the total volume of overburden expected to be removed over the life of the mine against the total coal to be extracted over the life of the mine. When the actual volume of overburden removed is greater than the expected volume of overburden removal, the stripping cost for excess overburden removed over the expected overburden removal is capitalized to the stripping activity asset. The stripping activity asset is amortized over the expected useful life of the mine. Changes in geo-mining conditions may have an impact on the standard strip ratio. Changes to the ratio are accounted for prospectively.

vi) 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.

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

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

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 recognize 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.

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

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- iii) Finished and semi finished products produced or purchased by the Company are carried at lower of cost and net realizable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.
- iv) By products are valued at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- v) Cost of land and plots under development includes cost of land under development, internal and external development cost and related overhead costs and valued at lower of cost or net realizable value.

1.2.10 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 amortized cost
- 2) financial assets measured at fair value through other comprehensive income, and
- 3) financial assets measured at fair value through profit and loss.

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

Financial instruments measured at amortized cost

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

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

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

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

Financial instruments measured at fair value through other comprehensive income

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

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

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

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

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

iii) Derecognition of financial assets

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

- The rights to receive cash flows from the asset have been transferred, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' 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 amortized cost
- 2) financial liabilities measured at fair value through profit and loss

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

Financial liabilities at amortized cost:

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

Offsetting of financial instrument

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

1.2.11 Investments

Investments in subsidiaries, associates and joint ventures are carried at cost in accordance with Indian Accounting Standards (Ind AS) 27. Investments in bonds, non-convertible debentures (NCDs) and preference shares are generally measured at amortized cost using the effective interest rate (EIR) method, wherever such instruments are acquired at premium or discount and meet the contractual cash flow and business model criteria prescribed under Ind AS 109. Investments in mutual funds, Alternative Investment Funds (AIFs), Portfolio Management Services (PMS), quoted equity shares and trading instruments are measured at fair value through profit or loss ("FVTPL"), with fair value changes recognized in the Statement of Profit and Loss. Unquoted equity investments are measured at fair value based on appropriate valuation techniques and valuation reports obtained from independent merchant bankers / valuation experts. The cost of investments comprises the purchase consideration and includes transaction costs that are directly attributable to the acquisition, such as brokerage, fees, duties and other incidental expenses, wherever applicable.

1.2.12 Trade receivables

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

1.2.13 Loans and borrowings

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

1.2.14 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

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

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

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 is always measured at an amount equal to life time expected credit losses.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss.

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

b) Non-financial assets

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

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

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

1.2.17 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 realised simultaneously.

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

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 realised.

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.

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.

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

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 the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, borrowing costs eligible for capitalization are computed based on the weighted average cost of general borrowings outstanding during the period and are capitalized to the extent expenditure on the qualifying asset has been incurred.

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 Segment Reporting

i) Identification of Segments

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

ii) Segment Accounting Policies

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

iii) Inter-Segment Transfers

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

iv) Unallocated Items

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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 34 for details on segment information presented.

Material accounting policies and notes to financial statements

for financial year ended 31st March 2026

1.2.24 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.

1.2.25 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.

1.2.26 New and amended standards

- (i) The Company has not early adopted any standards, amendments, or interpretations that have been issued but are not yet effective or notified under the Companies (Indian Accounting Standards) Rules.
- (ii) The Ministry of Corporate Affairs ("MCA") has notified the following amendments / standards:
 - Amendments to Indian Accounting Standards (Ind AS) 107 relating to supplier finance arrangements, which require enhanced disclosures to improve transparency of such arrangements. These amendments are applicable only where an entity has supplier finance arrangements and, accordingly, are not applicable to the Company.
 - Indian Accounting Standards (Ind AS) 104, relating to insurance contracts, which permits insurers to continue applying certain existing accounting practices and is applicable from 1st April 2026. As the standard is applicable only to insurance companies, it is not applicable to the Company.

The management has assessed the above amendments / standards and concluded that they are not expected to have any material impact on the financial statements of the Company.

Notes to financial statements

For financial year ended 31st March 2026

Note No. 2 : PROPERTY, PLANT & EQUIPMENT

	Gross Block			Depreciation			Net Block	
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Deprecia- tion for the Adjustment year	As on 31.03.2026	As on 31.03.2025
Freehold Land	69.23	0.04	0.01	69.26	-	-	69.26	69.23
Building	484.89	7.77	0.07	492.59	101.84	38.36	140.14	383.05
Plant & Machinery	3,553.24	131.41	5.91	3,678.74	478.91	164.40	640.49	3,074.33
Furniture, Fixture & Equipment	14.45	2.87	0.08	17.24	9.60	1.87	11.39	4.85
Vehicles	18.15	3.64	1.38	20.41	9.55	3.09	11.60	8.60
	4,139.96	145.73	7.45	4,278.24	599.90	207.72	803.62	3,474.62
								3,540.06

Ageing of capital work-in-progress is as below:

As at 31st March 2026

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	169.84	261.90	2.07	10.64
	169.84	261.90	2.07	10.64
				444.45

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 2026

RIGHT-OF-USE-ASSETS

(₹ in Crore)

	Gross Block		Depreciation		Net Block	
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment on remea- surement	Up to 01.04.2025 As on 31.03.2026	Deprecia- tion for the Adjustment year	As on 31.03.2026 As on 31.03.2025
Land	58.30	5.23	0.25	63.28	2.73	59.57
	58.30	5.23	0.25	63.28	2.73	55.57

INVESTMENT PROPERTY

	Gross Block		Depreciation		Net Block	
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	Up to 01.04.2025 As on 31.03.2026	Deprecia- tion for the Adjustment year	As on 31.03.2026 As on 31.03.2025
Freehold Land-IP	26.02	-	-	26.02	-	26.02
Admin Bldg- IP	4.22	-	-	4.22	0.09	3.60
	30.24	-	-	30.24	0.09	29.62

Amount recognized in profit & loss for investment properties:

Particulars	31.03.2026
Rental Income (Included in non-operating income)	0.24
Other expenses related to investment Properties	0.05
Profit from Investment Properties before depreciation	0.19
Depreciation	0.09
Profit/(Loss) from Investment Properties	0.10

Notes to financial statements

For financial year ended 31st March 2026

OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Gross Block			Depreciation			Net Block		
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Depreciation for the year	Transfer / Adjustment	As on 31.03.2026	As on 31.03.2025
Software	2.47	0.16	-	2.63	2.12	0.15	-	2.27	0.35
Minig Rights & Development	40.10	12.52	-	52.62	5.86	1.42	-	7.28	34.24
	42.57	12.68	-	55.25	7.98	1.57	-	9.55	34.59

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
Building	292.75	SKS Power Generation (Chhattisgarh) Limited	No	Aug-24	amalgamation/merger, the name change in the name of company is pending

Details of property plant & equipment and Right of Use Assets are pledged against borrowings is presented in note no 14 and 19.

Notes to financial statements

For financial year ended 31st March 2026

Note No. 2 : PROPERTY, PLANT & EQUIPMENT (Previous Year)

	Gross Block			Depreciation			Net Block	
	As on 01.04.2024	Addition during the year	Acquired through Business Combination	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024 tion for the year	As on 31.03.2025	As on 31.03.2024
Freehold Land	26.95	26.36	15.92	-	69.23	-	69.23	26.95
Building	178.62	13.52	292.75	-	484.89	74.48	383.05	104.14
Plant & Machinery	721.38	83.97	2,752.73	4.84	3,553.24	364.72	3,074.33	356.66
Furniture, Fixture & Equipment	10.71	1.92	1.84	0.02	14.45	8.30	4.85	2.41
Vehicles	15.66	3.94	0.48	1.93	18.15	7.86	8.60	7.80
	953.32	129.71	3,063.72	6.79	4,139.96	455.36	599.90	497.96

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	
Projects in progress	302.98	7.31	1.21	319.21
	302.98	7.31	1.21	319.21

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 2026

RIGHT-OF-USE-ASSETS

(₹ in Crore)

	Gross Block				Depreciation		Net Block		
	As on 01.04.2024	Addition during the year	Acquired through Busi- ness Combi- nation	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024	Depreciation for the year	As on 31.03.2025	As on 31.03.2024
Land	20.55	0.08	37.67	-	58.30	1.98	0.75	55.57	18.57
	20.55	0.08	37.67	-	58.30	1.98	0.75	55.57	18.57

INVESTMENT PROPERTY

	Gross Block			Depreciation			Net Block		
	As on 01.04.2024	Addition during the year	Acquired through Business Combina- tion	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024	Depreci- ation for the year	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	3.60	3.68
	30.24	-	-	-	30.24	0.54	0.08	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	0.08
Profit/(Loss) from Investment Properties	0.05

Notes to financial statements

For financial year ended 31st March 2026

OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Gross Block			Depreciation			Net Block			
	As on 01.04.2024	Addition during the year	Acquired through Business Combina- tion	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024	Deprecia- tion for the year	Transfer / Adjustment	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
Minig Rights & Development	40.10	-	-	-	40.10	4.44	1.42	-	5.86	34.24
	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 held in the name of 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
Building	292.75	SKS Power Generation (Chhattisgarh) Limited	No	Aug-24	amalgamation/merger, the name change in the name of company is pending

Details of property plant & equipment and Right of Use Assets are pledged against borrowings is presented in note no 14 and 19.

Notes to financial statements

For financial year ended 31st March 2026

Note 3 : NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
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) 10,00,000 (P.Y. 7,16,307) Equity Shares of Sarda Renewable Energy Limited (Formerly known as Sarda Energy Limited) of ₹ 10/- each	122.83	74.60
(d) 2,10,16,000 (P.Y. 2,10,16,000) Equity Shares of Sarda Metals & Alloys Limited of ₹ 10/- each	215.18	214.58
(e) 18,60,65,080 (P.Y. 18,60,65,080) Equity Shares of Madhya Bharat Power Corporation Limited of ₹ 10/- each	460.09	460.09
(f) 7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Limited of ₹ 10/- each	7.84	7.84
(g) 3,04,920 (P.Y. NIL) equity Shares of Sarda Hydro Power Private Limited of ₹ 10/- each*	0.30	-
(h) 5,100 (P.Y. 5,100) Equity Shares of Natural Resources Energy Private Limited of ₹ 10/- each	0.03	0.03
(i) 5,000 (P.Y. 1,000) Equity Shares of Sarda Global Trading DMCC of AED 1,000 each	10.99	10.99
(j) 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 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. 2,68,00,000) Equity Shares of Bartunga Coal Private Limited of ₹ 10/- each	26.80	26.80
B Investments in LLP (at cost)		
(a) Shri Ram Electricity LLP	1.70	2.04
(b) Chhattisgarh Hydro Power LLP	216.64	217.95
(c) Sarda Hydro Power LLP*	-	0.30
C In Other companies-Carried at FVTOCI		
4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited of ₹ 10/- each	1.45	1.45
	1,121.45	1,074.27

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Aggregate amount of investments and market value thereof-		
Aggregate carrying value of unquoted investments	1,121.45	1,074.27
Investment carried at cost	1,120.00	1,072.82
Investment carried at fair value through OCI	1.45	1.45

- (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.
- (ii) *During the year, Sarda Hydro Power LLP has been converted into Sarda Hydro Power Private Limited. This change is only in the legal form and name of the entity and does not represent a disposal of the investment or acquisition of a new investment.

Note 4: NON-CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

	As at 31st March 2026	As at 31st March 2025
(a) Security Deposits		
Unsecured, considered good	57.34	45.77
Less:- Provision for doubtful deposits	(40.11)	(40.12)
	17.23	5.65

Note 5 : OTHER NON-CURRENT ASSETS

	As at 31st March 2026	As at 31st March 2025
(a) Capital Advances		
Unsecured, considered good	83.04	92.93
Less:- Provision for doubtful capital advances	(9.62)	(9.25)
(b) Advances other than capital advances		
(i) Security Deposits		
Unsecured, considered good	0.65	0.66
(ii) Other advances		
Unsecured, considered good	25.87	32.76
Prepaid expenses	44.97	49.88
Balances with Revenue Authorities	21.42	21.04
	166.33	188.02

Notes to financial statements

For financial year ended 31st March 2026

Note 6 INVENTORIES

(valued at lower of cost and net realisable value)

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(a) Raw Material	265.05	313.89
(b) Finished / semi finished goods (includes stock in transit of ₹ 1.27 crore (P.Y. ₹ 2.61 crore))	187.13	166.01
(c) Stock-in-Trade	1.71	0.02
(d) Stores and spares	123.67	102.09
(e) Project under Development	11.29	9.79
	588.85	591.80

Note : Details of inventories hypothecated against borrowings is presented in note 14 & 19.

NOTE 7 : CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

	As at 31st March 2026	As at 31st March 2025
Investments carried at FVTPL		
Investments in Quoted Equity Instruments	278.53	169.54
Investments in Unquoted Equity Instruments	18.00	-
Investments in Mutual Funds	346.77	28.51
Investments in Alternate Investment Funds	146.87	41.38
Investments in Infrastructure Investment Trusts	96.35	-
Investments in Portfolio Management Services	25.16	-
Investments carried at Amortized Cost		
Investments in Bonds, Non Convertible Debentures	165.44	34.47
Investments in Preference Shares	90.63	80.77
	1,167.75	354.67

	As at 31st March 2026	As at 31st March 2025
Aggregate amount of investments and market value thereof-		
Aggregate carrying value of quoted investments	893.68	239.43
Aggregate market value of quoted investments	893.68	239.43
Aggregate carrying value of unquoted investments	274.07	115.24
Investment carried at fair value through Profit & Loss	911.68	239.43
Investment carried at Amortized Cost	256.07	115.24

(i) The Company has pledged its equity shares under Margin Trading Facility (MTF) arrangements. As at the reporting date, 42,42,014 quoted equity instruments aggregating to ₹ 175.76 Crore (PY. : NIL) are pledged.

Notes to financial statements

For financial year ended 31st March 2026

NOTE 8 : CURRENT ASSETS - FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Trade receivables considered good - Unsecured	189.58	172.34
Trade receivables which have significant increase in Credit Risk	32.36	99.78
Trade receivable - credit impaired	-	-
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(32.36)	(99.78)
	189.58	172.34

Note : Details of trade receivables hypothecated against borrowings is presented in note 14 & 19.

Outstanding for following period for due of payment as on 31st March 2026

	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	166.01	17.31	0.02	6.08	-	0.16	189.58
Undisputed trade receivables- which have significant increase in Credit Risk	-	0.84	0.06	0.85	0.02	30.59	32.36
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	-	-	-	-	-	-	-
	166.01	18.15	0.08	6.93	0.02	30.75	221.94

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	31.06	141.20	-	0.03	-	0.05	172.34
Undisputed trade receivables- which have significant increase in Credit Risk	-	-	-	-	-	99.78	99.78
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	-	99.83	272.12

Note 9 : CURRENT ASSETS - FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

	As at 31st March 2026	As at 31st March 2025
Balances with banks		
In current accounts	28.26	8.01
FDR with Bank (Bank Deposits with original maturity up to 3 months)	25.33	15.53
Cash on hand	0.25	0.27
	53.84	23.81

Notes to financial statements

For financial year ended 31st March 2026

NOTE 10 : CURRENT ASSETS - FINANCIAL ASSETS - EARMARKED BALANCES IN BANK

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Unpaid dividend	1.01	0.99
FDR with Bank (With maturity more than 3 months but less than 12 months)	609.84	464.49
	610.85	465.48

Note 11(a) : CURRENT ASSETS - FINANCIAL ASSETS - LOANS

	As at 31st March 2026	As at 31st March 2025
(a) Loans and advances to related parties		
Unsecured, considered good	480.18	438.22
(b) Other loans		
Unsecured, considered good		
(i) Loans to employees	1.07	1.22
(ii) Loans and advances to other parties	82.58	173.60
	563.83	613.04

Note 11(b) : CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSET

Unsecured, Considered good		
(i) Earnest money deposit	21.45	13.83
Less:- Provsion for doubtful deposits	(10.00)	(10.00)
(ii) Claims & recoverables	7.36	2.18
	18.81	6.01

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 31.03.2026

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	480.18	85.17%

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%

Notes to financial statements

For financial year ended 31st March 2026

Note 12 : OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Advances other than capital advances		
(a) Other Advances		
(i) Employee Advance	0.15	0.18
(ii) Advances to vendors	301.26	293.80
Less-Provision for doubtful advances	(20.01)	(21.81)
(b) Other Advances		
(i) Advance royalty paid	12.26	9.94
(ii) Prepaid expenses	13.56	12.86
(iii) Balances with revenue authorities	31.28	4.53
	338.50	299.50

Note 13 (a) EQUITY SHARE CAPITAL

	As at 31st March 2026		As at 31st March 2025	
	No.	₹ in Crore	No.	₹ in Crore
A Authorized				
Equity Shares of ₹ 1/-each [#]	25,55,01,00,000	2,555.01	25,55,01,00,000	2,555.01
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 2026		As at 31st March 2025	
	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
Additions during the period	-	-	-	-
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

(#) 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.

Notes to financial statements

For financial year ended 31st March 2026

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

(₹ in Crore)

Name of the shareholder	As at 31st March 2026		As at 31st March 2025	
	Number of shares	%	Number of shares	%
Chhatisgarh Investments Limited	13,75,86,862	39.04%	13,75,86,862	39.04%
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 2026, the Company has not issued bonus shares, and has not allotted any equity shares for 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.

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

Share held by promoter at the end of the year				% Change during the year
S No.	Promoter Name	No of Shares	% of total shares	
1	Kamal Kishore Sarda	56,26,084	1.60%	0.00%
2	Ankita Aditya Sarda	425	0.00%	0.00%
3	Kamal Kishore Rathi@	-	0.00%	0.00%
4	Saurabh Rathi@	60,810	0.02%	0.00%
5	Aditi Sarda	88,730	0.03%	0.00%
6	Shashi Rathi	1,89,150	0.05%	0.00%
7	Jugal Kishore Sarda (HUF)	2,11,000	0.06%	0.00%
8	Sonal Sarda	5,52,160	0.16%	0.00%
9	Aditya Ghanshyam Sarda	11,28,400	0.32%	0.00%
10	Raghav Sarda	10,61,400	0.30%	-0.02%
11	CSP Investments (Chhatisgarh Investments Limited, Sarda Agriculture and Properties Private Limited, Prachi Agriculture & Properties Private Limited)	14,39,370	0.41%	0.00%
12	Vipula Sarda	41,72,890	1.18%	0.00%
13	Ghanshyam Sarda^	1,32,33,860	3.76%	1.99%
14	Pankaj Sarda	67,14,410	1.91%	0.00%
15	Veenadevi Sarda^	-	0.00%	-1.99%
16	Manish J Sarda	75,52,160	2.14%	0.00%
17	Neeraj Sarda	70,00,000	1.99%	0.00%
18	Anant Sarda	78,52,890	2.23%	0.00%
19	Uma Sarda - Trustee to K K Sarda Family Trust	97,15,450	2.76%	0.00%
20	Uma Sarda	1,20,72,210	3.43%	0.00%
21	Prachi Agriculture & Properties Private Limited	1,57,20,220	4.46%	0.02%
22	Sarda Agriculture and Properties Private Limited	2,58,18,670	7.33%	0.00%
23	Chhatisgarh Investments Limited	13,75,86,862	39.04%	0.00%
		25,77,97,151	73.16%	0.00%

Notes to financial statements

For financial year ended 31st March 2026

@ Dr. K.K. Rathi expired and his holdings were transmitted to Mr. Saurabh Rathi. Holding of Mr. K.K. Rathi got transmitted to Mr. Saurabh Rathi and accordingly, Mr. Saurabh Rathi became a part of promoter group. Due to this, his holding of 2500 shares also got clubbed resulting in increase in overall promoter holding.

^ Holding of Mrs. Veenadevi Sarda were transmitted to Mr. Ghanshyam Sarda.

Note 13 (b) OTHER EQUITY

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Capital Reserve		
Balance as per last financial statements	1,736.24	4.05
Addition on account of business combination	-	1,732.19
	1,736.24	1,736.24
Capital Redemption Reserve		
Balance as per last financial statements	0.81	0.81
	0.81	0.81
Securities Premium		
Balance as per last financial statements	194.01	194.01
	194.01	194.01
General Reserve		
Balance as per last financial statements	20.97	20.97
	20.97	20.97
Retained Earnings		
Balance as per last financial statements	3,831.34	3,260.86
Add : Profit for the year	948.71	608.06
Remeasurements of the net defined benefit plans	(1.70)	(2.34)
Less: Appropriations		
Equity Dividend	(52.86)	(35.24)
	4,725.49	3,831.34
Reserves representing unrealized gains/losses		
Equity instruments through Other Comprehensive Income		
Balance as per last financial statements	0.40	0.40
	0.40	0.40
	6,677.92	5,783.77

- (i) During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (ii) Capital Redemption Reserve is created on buy back of equity shares, it is to be utilized in accordance with the 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.

Notes to financial statements

For financial year ended 31st March 2026

- (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

(₹ in Crore)

	Non-Current portion		Current Maturities	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Term loans (Secured)				
From banks				
Indian Rupee Loan	1,247.43	1,308.11	80.49	79.48
	1,247.43	1,308.11	80.49	79.48

1) Nature of security :

- 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.
- 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.

2) Repayment terms :

- Rupee term loan of ₹ 700 crore (Present Outstanding ₹ 672 crore) from HDFC Bank is payable in 120 quarterly installments starting from November 2024.
- Rupee term loan of ₹ 675 crore (Present Outstanding ₹ 675 crore) from Axis Bank Limited is payable in 42 quarterly installments starting from May 2026.

Note 15 : LEASE LIABILITIES

A. Carrying amount of lease liabilities and the movement during the year:-

	As at 31st March 2026	As at 31st March 2025
Balance at the beginning of the year	38.25	-
Acquired through business combination	-	37.67
Disposal/ Adjustment during the year	(0.25)	-
Interest accrued	3.26	2.00
Payment of lease liabilities	(4.49)	(1.42)
Balance at the end of the year	36.77	38.25

Notes to financial statements

For financial year ended 31st March 2026

B. Breakup of lease liabilities:-

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Current	2.99	4.57
Non-current	33.78	33.68
Balance at the end of the year	36.77	38.25

C. Lease expenses recognized in Statement of Profit and Loss:-

	As at 31st March 2026	As at 31st March 2025
Depreciation expenses on ROU	0.98	0.75
Interest expenses on lease liabilities	3.26	2.00
Expenses relating to short term leases and leases with nominal rentals (included in other expenses)	5.33	3.36
	9.57	6.11

The effective interest rate for lease liabilities is 9% with balance maturity of 85 years.

The Company had total cash outflow for leases of ₹ 9.82 Crore in 31st March 2026 (₹ 4.78 Crore in 31st March 2025) on account of expenses.

Note 16: NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at 31st March 2026	As at 31st March 2025
Security Deposit Received		
Deposits from Vendors	36.62	21.53
	36.62	21.53

Note 17: PROVISIONS

	As at 31st March 2026	As at 31st March 2025
(a) Provision for employee benefits		
Provision for Leave encashment/Gratuity	7.79	8.17
(b) Others		
Mines restoration/Mega power policy/ Ash disposal cost	255.82	237.39
	263.61	245.56

Movement of Other provision during the year

	As at 31st March 2026	As at 31st March 2025
Opening balance	237.39	27.67
Addition on account of Business Combination	-	210.05
Addition during the year	20.77	7.71
Unwinding of Interest	0.09	-
Discharge of provision during the year	(0.11)	-
Utilisation/ reversal of provision during the year	(2.32)	(8.04)
Closing balance	255.82	237.39

Notes to financial statements

For financial year ended 31st March 2026

Note 18 : DEFERRED TAX LIABILITIES / (ASSETS) (NET)

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Deferred tax liability / (assets) at the beginning of the year	(52.68)	39.46
Deferred tax liability / (assets) during the year on account of timing difference	314.37	220.82
Deferred tax liability / (assets) during the year on account of business combination	-	(312.96)
Deferred Tax Liabilities/(Assets) at the end of the year	261.69	(52.68)

Note 19 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March 2026	As at 31st March 2025
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	-	60.57
Current maturities of long term debt (Refer note no.14)	80.49	79.48
Other loans and advances		
Loans from Related Parties (repayable on demand) (Unsecured)	51.37	50.52
	131.86	190.57

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. 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 lenders from whom the Company has borrowed funds has declared the Company as a wilful defaulter at any time during the current year or in previous year.

Note 20 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31st March 2026	As at 31st March 2025
Total outstanding dues of Micro Enterprises & Small Enterprises	12.16	3.40
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	75.32	103.37
	87.48	106.77

Notes to financial statements

For financial year ended 31st March 2026

Trade Payable Ageing schedule for the year ended -

(₹ in Crore)

As at 31st March 2026	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	11.73	-	-	-	-	11.73
Others	73.01	0.49	0.97	0.01	0.84	75.32
Disputed due - MSME	0.43	-	-	-	-	0.43
Disputed due - Others	-	-	-	-	-	-
	85.17	0.49	0.97	0.01	0.84	87.48

As at 31st March 2025	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	3.20	-	-	-	-	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

Note 21: CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

	As at 31st March 2026	As at 31st March 2025
(a) Deposits from customers	10.89	3.44
(b) Salary & reimbursements	32.62	28.84
(c) Expenses payable	33.00	34.81
(d) Unpaid Dividends	1.01	0.99
	77.52	68.08

Note 22 : OTHER CURRENT LIABILITIES

	As at 31st March 2026	As at 31st March 2025
(a) Others -		
Indirect taxes payable	5.92	0.95
(b) Deposit from Employees	3.55	2.59
(c) Advances from customers	18.62	18.84
(d) TDS payables	2.89	2.26
	30.98	24.64

Note 23 : PROVISIONS

	As at 31st March 2026	As at 31st March 2025
Provision for employee benefits		
(a) Provision for gratuity	3.15	3.10
(b) Provision for Leave encashment	0.62	0.70
	3.77	3.80

Notes to financial statements

For financial year ended 31st March 2026

24 REVENUE FROM OPERATIONS

(₹ in Crore)

	2025-26	2024-25
Sale of products		
Sponge Iron	350.73	302.95
Ferro Alloys	611.93	575.74
Steel Billets	149.47	122.57
Wire Rod / HB Wire	686.87	749.43
Pellet	428.03	467.26
Power	2,034.29	1,104.23
Others	63.32	153.79
Other operating revenues	9.05	8.20
	4,333.69	3,484.17

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

	2025-26	2024-25
Segment Revenue-		
Steel	1,920.89	1,964.32
Ferro Alloys	637.70	601.93
Power	2,271.67	1,339.45
Unallocated	20.18	24.74
	4,850.44	3,930.44
Less: Inter segment revenue	516.75	446.27
	4,333.69	3,484.17

	2025-26	2024-25
Domestic	4,307.69	3,379.44
Exports	26.00	104.73
	4,333.69	3,484.17

	2025-26	2024-25
Timing of revenue recognition		
At a point in time	4,333.69	3,484.17
	4,333.69	3,484.17

	2025-26	2024-25
Assets and liabilities related to contracts with customers-		
Contract balances		
Trade Receivables (refer note 8)	189.58	172.34
Contract Liabilities		
Advance from customers (refer note no 22)	18.62	18.84
	208.20	191.18

Trade receivables are non-interest bearing and are generally on terms of advance or credit period ranges of 1 to 90 days.

Notes to financial statements

For financial year ended 31st March 2026

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 ₹ 10.29 Crore (previous year ₹ 14.07 Crore) and performance obligations satisfied in previous years ₹ NIL (previous year ₹ NIL).

25 OTHER INCOME

(₹ in Crore)

	2025-26	2024-25
Interest Income	97.97	93.29
Dividend Income		
From Others	15.37	3.32
Net gain on sale of investments	27.49	10.31
Corporate guarantee commission	0.96	0.93
Fair value gain on Financial Instruments at FVTPL	39.53	(12.44)
Share of Profit in Partnership Firm	43.85	21.05
Other non-operating income (net of expenses directly attributable to such income)	10.22	3.24
	235.39	119.70

26 COST OF RAW MATERIAL CONSUMED

	2025-26	2024-25
Iron Ore	770.20	757.06
Mn Ore	243.41	220.42
Coal	994.37	792.92
Scrap	117.24	115.32
Other Material	12.54	17.97
	2,137.76	1,903.69

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

	2025-26	2024-25
Inventories at the end of the year		
Finished Goods / Semi-finished goods (includes stock in transit of ₹ 1.27 crore (P.Y. ₹ 2.61 crore))	187.13	166.01
Trading Goods	1.71	0.02
	188.84	166.03
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	166.01	139.72
Trading Goods	0.02	0.02
	166.03	139.74
(Increase)/Decrease in Inventories	(22.81)	(26.29)

Notes to financial statements

For financial year ended 31st March 2026

28 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	2025-26	2024-25
Salaries, incentives & Managerial Remuneration	147.45	123.17
Contributions to -		
Provident fund	7.98	6.59
Superannuation scheme	0.37	0.38
Gratuity fund	6.43	2.33
Staff welfare expenses	4.00	2.56
	166.23	135.03

28a) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial Study analysis	Gratuity		Leave Encashment	
	31st March 2026	31st March 2025	31st March 2026	31st March 2025
Principal actuarial assumptions				
Discount rate	7.27%	6.61%	7.27%	6.61%
Range of compensation increase	9.50%	8.00%	9.50%	8.00%
Expected rate of return on plan assets	7.27%	6.61%	N/A	N/A
Plan duration	60	60	60	60
Components of statement of income statement charge				
Current service cost	2.84	2.38	0.88	0.85
Past Service Cost Because of New Service Code	3.40	-	0.74	-
Interest cost	0.01	(0.05)	0.41	0.24
Actuarial gain/(loss) due to changes in financial assumptions	-	-	0.64	0.32
Actuarial gain/(loss) on account of experience adjustments	-	-	(0.66)	(0.79)
Total charged to statement of profit or loss*	6.25	2.33	2.01	0.62
Movements in net liability/(asset)				
Net liability at the beginning of the year	5.23	0.36	6.74	4.10
Employer contributions	(10.03)	(2.02)	(0.34)	(1.34)
Increase / (Decrease) due to effect of business combination	-	2.22	-	3.36
Total expense recognized in the consolidated statement of profit or loss	6.25	2.33	2.01	0.62
Total amount recognized in OCI	1.70	2.34	-	-
Net liability at the end of the year	3.15	5.23	8.41	6.74
Reconciliation of benefit obligations				
Obligation at start of the year	28.18	21.18	6.89	4.10
Current service cost	2.84	2.38	1.20	0.85
Interest cost	1.84	1.46	0.41	0.24
Benefits paid directly by the Company	(0.69)	(1.31)	(0.34)	(1.34)
Increase / (Decrease) due to effect of business combination	-	2.23	-	3.04
Obligation of past service cost	3.40	-	0.74	-
Actuarial loss	1.16	2.24	(0.02)	-
Defined benefits obligations at the end of the year	36.73	28.18	8.88	6.89

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

Actuarial Study analysis	Gratuity		Leave Encashment	
	31st March 2026	31st March 2025	31st March 2026	31st March 2025
Re-measurements of defined benefit plans				
Actuarial gain/(loss) due to changes in financial assumptions	2.27	1.44	-	-
Actuarial gain/(loss) on account of experience adjustments	(1.11)	0.79	-	-
Actuarial (loss)/gain on plan assets	0.54	0.11	-	-
Total actuarial gain/(loss) recognized in OCI	1.70	2.34	-	-
Change in fair value of plan assets				
Fair value of plan assets at the beginning of the year	22.94	20.82	-	-
Interest on plan assets	1.83	1.50	-	-
Contributions made	10.03	2.02	1.34	1.34
Benefits paid	(0.69)	(1.31)	(1.34)	(1.34)
Actuarial (loss)/gain on plan assets	(0.53)	(0.09)	-	-
Fair value of plan assets at the end of the year	33.58	22.94	-	-

*Gratuity expenses charged to statement of profit or loss of ₹ 6.25 crore does not include payment of ₹ 0.18 crore made directly by the Company to employees, which are not covered under the gratuity plan.

b) Sensitivity analysis of significant assumptions

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

	31st March 2026	31st March 2025	31st March 2026	31st March 2025
Discount rate				
+ 1% discount rate	33.41	25.65	7.58	5.79
- 1% discount rate	40.59	31.12	9.40	7.16
Salary increase				
+ 1% salary growth	39.89	30.91	9.33	7.14
- 1% salary growth	33.78	25.77	7.62	5.80

c) Experience adjustments

	31st March 2026	31st March 2025	31st March 2026	31st March 2025
Defined benefit obligation	36.73	28.18	8.88	6.89
Fair value of plan assets	33.58	22.94	-	-
(Surplus)/deficit in plan assets	3.15	5.24	8.88	6.89
Experience adjustment on plan liabilities	(1.11)	0.79	-	-
Actual return on plan assets less interest on plan assets	(0.53)	(0.09)	-	-

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

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29 FINANCE COSTS		(₹ in Crore)	
	2025-26	2024-25	
Interest expense	118.72	86.77	
Interest on Lease liabilities	3.26	2.00	
Other borrowing costs	10.40	8.37	
	132.38	97.14	
30 OTHER EXPENSES			
	2025-26	2024-25	
Stores & Spares Consumption	110.80	102.48	
Power	49.23	41.47	
Manufacturing Expenses-			
Plant process & services	26.53	23.93	
Material handling Expenses	99.73	65.46	
Other Manufacturing Expenses	1.48	0.19	
Repairs & Maintenance			
Building	4.19	2.67	
Plant & Machinery	48.93	31.69	
Others	13.68	8.87	
Rent	5.33	3.36	
Rates & Taxes	75.10	41.91	
Insurance Charges	10.09	8.83	
Miscellaneous Expenses			
Travelling & Conveyance expenses	10.08	8.82	
Legal & Professional Expenses	23.89	37.68	
Corporate Social Responsibility	13.91	15.99	
Donation *	0.08	2.06	
Administrative & Other Expenses	17.08	16.65	
Cost of Sales of Real Estate Project	1.88	2.84	
Selling Expenses			
Carriage Outward	12.89	20.11	
Selling Commission & Brokerage	4.72	5.30	
Other Selling Expenses	13.45	5.74	
Exchange differences (net)	1.10	(3.29)	
Payment to Auditors	0.50	0.35	
	544.67	443.11	

* Includes contribution to Political Parties amounting to ₹ NIL (previous year ₹ 2 crore)

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For financial year ended 31st March 2026

31 PAYMENTS TO THE AUDITOR

(₹ in Crore)

	2025-26	2024-25
As auditor:		
Audit fee	0.45	0.31
Tax audit fee	0.05	0.04
	0.50	0.35

32 OTHER COMPREHENSIVE INCOME

	As at 31st March 2026	As at 31st March 2025
(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	(1.70)	(2.34)
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
	(1.70)	(2.34)

33 EARNINGS PER SHARE (EPS)

	2025-26	2024-25
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	948.71	608.06
Nominal Value of Equity Shares (₹)	1	1
Weighted average number of Equity Shares used as denominator for calculating basic EPS	35,23,81,270	35,23,81,270
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	35,23,81,270	35,23,81,270
Basic (₹)	26.92	17.26
Diluted (₹)	26.92	17.26

34. SEGMENT REPORTING

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

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

A) Business Segment Primary

	2025-26				2024-25			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,656.57	617.34	2,039.60	4,313.51	1,854.39	584.03	1,021.01	3,459.43
Inter segment sales	264.32	20.36	232.07	516.75	109.93	17.90	318.44	446.27
Others Unallocated				20.18				24.74
Less: Inter segment sales				516.75				446.27
Total Revenue	1,920.89	637.70	2,271.67	4,333.69	1,964.32	601.93	1,339.45	3,484.17
Result								
Segment Result	318.10	108.31	876.20	1,302.61	390.61	134.55	389.67	914.83
Unallocated Expenses net off unallocated income				93.95				7.80

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	2025-26				2024-25			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Operating Profit				1,396.56				922.63
Interest & Forex Fluctuation Loss (Net)				(133.48)				(93.87)
Profit Before Tax & Extraordinary Item				1,263.08				828.76
Provision for taxation								
For Current Year				-				(0.12)
For Deferred Taxation				314.37				220.82
Profit After Taxation				948.71				608.06
Other Information								
Segment Assets	1,241.41	238.08	3,834.40	5,313.89	992.89	247.69	3,997.77	5,238.35
Unallocated Assets				3,577.00				2,587.97
Total Assets				8,890.89				7,826.32
Segment Liabilities	143.20	45.76	1,715.71	1,904.67	151.69	19.82	1,747.03	1,918.54
Unallocated Liabilities				273.06				88.77
Total Liabilities				2,177.73				2,007.31
Capital Expenditure	80.06	14.27	159.01	253.34	93.26	9.54	3,210.93	3,313.73
Depreciation / Amortization	44.16	9.23	151.35	204.74	42.52	8.40	93.69	144.61
Unallocated Depreciation				5.62				5.42

Notes:

- Revenue from operations Comprises 37.23% (P.Y. 25.53%) from one of its major customer from Power Segment.
- No operating segments have been aggregated to from the above reportable operating segments.

35 BUSINESS COMBINATION

During previous year, 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').

Due to business combination, the current year figures are not strictly comparable with that of the previous year.

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 Sarda Global Ventures Pte Limited, Singapore Sarda Global Trading DMCC, Dubai Sarda Metals & Alloys Limited Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited) Kalyani Coal Mining Private Limited Madhya Bharat Power Corporation Limited Parvatiya Power Limited Natural Resources Energy Private Limited Sarda Hydro Power Private Limited (w.e.f 18.03.2026)

Notes to financial statements

For financial year ended 31st March 2026

S.No.	Relationship	Name of Related Parties
2	Controlled Entities	Chhattisgarh Hydro Power LLP Sarda Hydro Power LLP (upto 17.03.2026) Shri Ram Electricity LLP
3	Joint Ventures	Bartunga Coal Private Limited Raipur Infrastructure Company Limited Madanpur South Coal Company Limited
4	Related Enterprises where interest of the company/directors exists	Chhattisgarh Investments Limited Geschäft Formulae India Private Limited Rishabh Mining and Transport Company Private Limited Sarda Dairy & Food Products Limited Earth Stahl & Alloys Private Limited Raipur Mega Food Park Private Limited
5	Director / Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mr. Padam Kumar Jain (WTD & CFO) Mr. Amal Kumar Debnath Mr. Binoy Parikh Mr. Rajeev Sharma Ms. Tripti Sinha Mr. Upendra Prasad Singh Mr. Anant Sarda Mr. Manish Sethi (CS)
6	Relatives of Directors /Relatives of KMP's / Promoter Group	Mrs. Vipula Sarda Mr. Raghav Sarda Mr. Ghanshyam Sarda

b) Material Transactions with Related Parties

(₹ in Crore)

	Subsidiar- ies	Controlled Entities	Joint Ventures	Related Enter- prises where interest of the company /di- rectors exists	Director / KMP	Relatives of Di- rectors /Rela- tives of KMP's / Promoter Group
Loans/Advances Given	28.86 (238.15)	72.14 (70.82)	- -	1,459.08 (2,158.18)	- -	- -
Loans/Advances Received Back *	138.01 (225.46)	52.30 (137.32)	- (0.02)	1,364.77 (2,265.79)	- -	- -
Loans/Advances Taken	5.30 (0.23)	- -	- (25.15)	- -	- -	- -
Loans/Advances Repaid	5.70 (25.97)	- -	1.98 (2.08)	- -	- -	- -
Material Sold	31.01 (65.29)	0.01 (0.01)	- -	0.61 (0.66)	- -	- -
Materials Purchased	56.18 (5.77)	0.19 (0.86)	- -	0.42 (0.56)	- -	- -

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	Subsidiar- ies	Controlled Entities	Joint Ventures	Related Enter- prises where interest of the company /di- rectors exists	Director / KMP	Relatives of Di- rectors /Rela- tives of KMP's / Promoter Group
Interest Income	7.15 (11.57)	3.30 (4.26)	- -	26.71 (29.00)	- -	- -
Interest Expenses	2.12 (2.02)	- -	1.96 (1.61)	- -	- -	- -
Commission Paid	- -	- -	- -	- -	16.57 (16.13)	- -
Dividend Income	- -	- -	4.05 -	- -	- -	- -
Remuneration	- -	- -	- -	- -	6.10 (5.30)	- (0.66)
Rent Paid	- -	- -	- -	2.16 (2.33)	- -	0.17 (0.14)
Services Offered	- -	- -	0.04 (0.04)	- -	- -	- -
Services Received	- -	- -	- -	1.13 (1.72)	- -	- -
Land Purchase	- -	- -	- -	- (1.20)	- -	- (15.02)
Corporate Guarantee Commission	0.65 (0.71)	- -	0.41 (0.48)	- -	- -	- -
Investments made/Share application money	48.23 (9.11)	3.05 (34.19)	- (26.80)	- -	- -	- -
Share of profit/(loss)	- -	43.85 (21.05)	- -	- -	- -	- -
Investments Reduced	- -	48.56 (4.16)	- -	- -	- -	- -

*Loans/Advances received back during the period include both principal and interest repayment.

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

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For financial year ended 31st March 2026

Outstanding as at 31st March, 2026

(₹ in Crore)

	Subsidiar- ies	Controlled Entities	Joint Ventures	Related Enter- prises where interest of the Company /di- rectors exists	Director / KMP	Relatives of Directors /Rel- atives of KMP's / Promoter Group
Receivable	26.69 (121.47)	47.01 (31.43)	- -	412.92 (291.29)	- -	- -
Corporate Guarantee / Indemnity Outstanding	1.61 (17.26)	- -	40.75 (40.75)	- -	- -	- -
Investments	870.92 (821.79)	218.33 (220.30)	30.74 (30.73)	- -	- -	- -
Payables	51.69 (26.02)	- (0.22)	23.93 (24.55)	- (0.72)	15.79 (15.52)	0.16 (0.17)

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

	2025-26	2024-25
Loans/Advances given		
Chhatisgarh Investments Limited	1,459.08	2,158.18
Loans/Advances Received Back		
Chhatisgarh Investments Limited	1,364.77	2,265.79
Loans/Advances Taken		
Sarda Metals & Alloys Limited	5.30	-
Bartunga Coal Private Limited	-	25.15
Loans/Advances Repaid		
Sarda Metals & Alloys Limited	5.30	-
Madhya Bharat Power Corporation Limited	-	25.01
Bartunga Coal Private Limited	1.98	2.08
Materials Sold		
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	-	11.46
Sarda Metals & Alloys Limited	31.01	53.83
Materials Purchased		
Sarda Metals & Alloys Limited	56.18	5.77
Chhattisgarh Hydro Power LLP	0.19	0.86
Interest Received		
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	3.59	4.92
Chhatisgarh Investments Limited	26.71	29.00
Interest Paid		
Kalyani Coal Mining Private Limited	2.12	2.02
Bartunga Coal Private Limited	1.96	1.61

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For financial year ended 31st March 2026

(₹ in Crore)

	2025-26	2024-25
Commission paid		
Mr. Kamal Kishore Sarda	7.00	7.00
Mr. Pankaj Sarda	7.00	7.00
Remuneration Paid		
Mr. Kamal Kishore Sarda	2.81	2.65
Mr. Pankaj Sarda	1.63	1.21
Mr. Padam Kumar Jain	1.13	0.98
Mr. Anant Sarda	-	0.66
Dividend Income		
Raipur Infrastructure Company Limited	4.05	-
Rent Paid		
Chhatisgarh Investments Limited	1.09	1.09
Rishabh Mining and Transport Company Private Limited	1.06	1.24
Services Offered		
Raipur Infrastructure Company Limited	0.04	0.04
Services Received		
Geschaft Formulae India Private Limited	1.13	1.72
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	0.61
Kalyani Coal Mining Private Limited	0.04	0.10
Bartunga Coal Private Limited	0.41	0.48
Investment Made including Share Application		
Sarda Global Trading DMCC, Dubai	-	9.11
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	48.23	-
Chhattisgarh Hydro Power LLP	3.00	34.14
Bartunga Coal Private Limited	-	26.80
Investment Reduced		
Chhattisgarh Hydro Power LLP	48.16	2.55
Shri Ram Electricity LLP	0.40	1.62
Share of Profit		
Chhattisgarh Hydro Power LLP	43.85	21.05

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For financial year ended 31st March 2026

Outstanding as on 31st March, 2026

(₹ In Crore)

	As at 31st March 2026	As at 31st March 2025
Investments		
Sarda Metals & Alloys Limited	215.18	214.58
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	122.83	74.60
Madhya Bharat Power Corporation Limited	460.09	460.09
Chhattisgarh Hydro Power LLP	216.64	217.95
Receivables		
Chhattisgarh Investments Limited	406.48	285.60
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	-	56.80
Parvatiya Power Limited	15.90	48.80
Corporate Guarantee Outstanding		
Sarda Metals & Alloys Limited	1.61	9.01
Kalyani Coal Mining Private Limited	-	8.25
Bartunga Coal Private Limited	40.75	40.75
Payables		
Sarda Metals & Alloys Limited	24.25	0.05
Kalyani Coal Mining Private Limited	27.44	25.97
Bartunga Coal Private Limited	23.93	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 31st March 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2025: ₹ 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.

37. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities and Claims against the Company

	As at 31st March 2026	As at 31st March 2025
Disputed Tax matters and claims:		
(a) Excise Duty, Customs, Service Tax and Goods & Service Tax	6.84	1.68
(b) Sales Tax, VAT and Entry Tax	6.40	9.66
(C) Income Tax	36.53	17.61
Others Taxes, claims and Litigations:		
Levies-Relating to Energy Development Cess	127.07	93.33
Claims by suppliers, Government and other parties	33.33	17.66
	210.17	139.94

(1) Disputed Tax matters and claims:

As at 31st March, 2026, there are pending litigations concerning various matters related to excise, customs, service tax, VAT, GST and Income Tax, involving demands of ₹ 49.77 crore (PY: ₹ 28.95 crore). The details of significant demands are as follows:

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For financial year ended 31st March 2026

- (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, 2026, the total amount under dispute is ₹ 0.28 crore (PY: ₹ 0.28 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 Principal Commissioner of Customs, Mumbai, and confirmed a demand of ₹ 0.20 Crore (PY: ₹ 0.20 crore). Aggrieved by the order, the company has filed an appeal before CESTAT Mumbai.
- (c) The Company is involved in a customs dispute pertaining to denial of CVD exemption on import of Manganese Ore for FY 2011-12 and 2012-13. The Company has paid the differential CVD demand of ₹ 11.13 crore and availed corresponding CENVAT credit; accordingly, the matter is presently being contested primarily in respect of interest demand amounting to ₹ 3.28 crore. The demand, including interest, was upheld by CESTAT, Hyderabad vide order dated 09.01.2026. Aggrieved by the said order, the Company proposes to file an appeal before the Hon'ble Supreme Court.
- (d) Service tax demand of ₹ 0.09 crore (PY: ₹ 0.09 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.
- (e) 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, 2026, the total amount under dispute is ₹ 1.11 Crore.
- (f) Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 6.40 Crore (PY : ₹ 9.66 Crore) are pending in appeal against assessment of various year.
- (g) 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 year. As at 31st March, 2026, there are matters and/or disputes, pending in appeal amounting to ₹ 36.53 crore (PY : ₹ 17.6 crore). The Company expects to sustain its position on ultimate resolution of the said appeals.
- (h) 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 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) Chief Electrical Inspector, Govt. of Chhattisgarh has issued a demand for recovery of Energy Development Cess for the period May 2006 to June 2025 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, 2026, the total amount under dispute is ₹ 127.07 crore (PY: ₹ 93.33 crore) which is pending for resolution.
- (b) South East Central Railways (SECR) has invoked and encashed a bank guarantee amounting to ₹ 40.08 crore in connection with construction of a Road Over Bridge (ROB) pertaining to IPP Raigarh unit acquired by the Company through CIRP process. The Company has challenged the encashment before

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the Hon'ble High Court of Chhattisgarh on the grounds that the obligation to construct the ROB rests with SECR and that invocation of the guarantee during pendency of insolvency proceedings was not in accordance with applicable provisions of law. Further, SECR has also raised an additional demand of ₹ 16.47 crore, which is disputed by the Company and is presently pending before the Commercial Court, Raipur.

(B) Guarantees and Undertakings:

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(i) Guarantees issued by the Company's Bankers on behalf of the Company	481.98	584.99
(ii) Corporate Guarantees/Undertakings issued to lenders of third parties (Including subsidiaries and Joint ventures)	42.36	58.01

- (a) The Company has given continuing corporate guarantee to the extent of ₹ 1.61 Crore (PY ₹ 9.01 Crore) for Sarda Metals & Alloys Limited (SMAL), 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 ₹ 40.75 Crore (PY ₹ 49.00 Crore) to YES Bank on behalf of its joint venture Bartunga Coal Private Limited (for PY 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 undertaken by its joint venture.

(C) Commitments

Capital Commitments	As at 31st March 2026	As at 31st March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	30.04	79.33
	30.04	79.33

38. CONTINGENT ASSETS

- (I) The Company has various pending insurance claims amounting ₹ NIL (PY: ₹ 0.30 crore) against Machine Break Down (MBD).
- (II) The Company has claimed refund of ₹ 6.30 Crore (PY: ₹ 6.30 Crore) 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: ₹ 13.57 Crore) towards reimbursement of taxes and duties arises from change in Law in pursuant 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 recognised as asset is ₹ 0.45 Crore (PY: ₹ 0.45 Crore)

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 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 ₹ 14.79 Crore
- b) Amount spent during the year on:

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(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(a) Gross amount required to be spent by the Company during the year	14.79	15.08
(b) Amount brought forward from previous year	0.88	-
(c) Amount spent during the year	13.07	15.99
(d) Amount approved by the Board to be spent during the year	13.91	15.11
(e) Amount excess spent to be adjusted in future years	-	0.88
(f) Amount short spent on account of ongoing project(s)	(0.84)	-
(g) Amount spent during the year ending on 31st March 2026:	In Cash	Yet to be paid
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.07	-
(iii) Unspent amount in relation to ongoing project	-	0.84
(h) Amount spent during the year ending on 31st March 2025:	Total	
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	15.99	-

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)

	As at 31st March 2026	As at 31st March 2025
(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	12.16	3.40
- Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.		
- Payment made beyond the Appointed date	-	-
- Interest paid beyond the Appointed date	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Notes to financial statements

For financial year ended 31st March 2026

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 deposits

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 and company's assessment, loss on collection of dues has been 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:

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Trade receivables	189.58	172.34
Loans and deposits	599.86	624.70
Cash and cash equivalents	53.84	23.81

Impairment losses

	As at 31st March 2026	As at 31st March 2025
Trade receivables (measured under life time excepted credit loss model)		
Opening balance	99.78	2.94
Addition on account of business combination	-	97.31
Provided/ (reversal) during the year	1.35	(0.47)
Written of during the year	(68.77)	-
Closing balance	32.36	99.78

Impairment losses

	As at 31st March 2026	As at 31st March 2025
Loans and Deposits		
Opening balance	50.12	-
Addition on account of business combination	-	50.12
Provided/ (reversal) during the year	(0.01)	-
Closing balance	50.11	50.12

Ageing analysis

	As at 31st March 2026	As at 31st March 2025
Trade receivables		
Upto 3 months	184.16	172.26
3-6 months	-	-
More than 6 months	37.78	99.86
	221.94	272.12

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

Liquidity risk

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

Notes to financial statements

For financial year ended 31st March 2026

Financing arrangements

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

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Cash Credit facility	191.42	152.02
Current investments	1,167.75	354.67

Maturities of financial liabilities

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

As at 31st March 2026	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	131.86	566.63	680.80	1,379.29
Lease liabilities	2.99	14.97	330.27	348.23
Trade payables	87.48	-	-	87.48
Security deposits	10.89	36.62	-	47.51
Other financial liabilities	66.63	-	-	66.63
	299.85	618.22	1,011.07	1,929.14
As at 31st 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

Interest rate risk

Interest rate risk is the risk that an upward movement in the interest rate would adversely effect the borrowing cost of the company. The Company is exposed to long term and short-term borrowings, Commercial Paper Program. The Company manages interest rate risk by monitoring its mix of fixed and floating rate instruments, and taking action as necessary to maintain an appropriate balance.

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

MARKET RISK

a) Interest rate risk exposure

	As at 31st March 2026	As at 31st March 2025
Variable rate borrowings	1,327.93	1,448.16
Fixed rate borrowings	51.37	50.52

Notes to financial statements

For financial year ended 31st March 2026

(₹ in Crore)

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 2026	As at 31st March 2025
Interest rates - increase by 70 basis points	(9.15)	(9.63)
Interest rates - decrease by 70 basis points	9.15	9.63

Currency Risk

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

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

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

		Currency In Crore	
Currency		2025-26	2024-25
Trade Payables	USD	0.12	0.19
Trade Receivables	USD	(0.03)	(0.23)

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 2026	As at 31st March 2025
Foreign exchange rates - increase by 1%	(0.09)	0.04
Foreign exchange rates - decrease by 1%	0.09	(0.04)

Price Risk

The entity is exposed to equity price risk, which arises out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2 % in the index at the reporting date on profit & loss would have been an increase of ₹ 18.23 Crore (2024-25: ₹ 4.79 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 (2024-25: ₹ 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;

Notes to financial statements

For financial year ended 31st March 2026

- 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.

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

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

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

	(₹ in Crore)	
	As at 31st March 2026	As at 31st March 2025
Total liabilities	1,416.07	1,536.93
Less : Cash and cash equivalent	53.84	23.81
Net debt	1,362.23	1,513.12
Total equity	6,713.16	5,819.01
Net debt to equity ratio	0.20	0.26

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

31st March, 2026	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	664.69	664.69	-	-	-	-
Non-current investments								
Unquoted Investments	-	1.45	1,120.00	1,121.45	-	-	1.45	1.45
Current investments								
Quoted Investments	893.68	-	-	893.68	893.68	-	-	893.68
Unquoted Investments	18.00	-	256.07	274.07	-	-	18.00	18.00
Loans & other financial assets	-	-	599.87	599.87	-	-	-	-
Trade receivables	-	-	189.58	189.58	-	-	-	-
	911.68	1.45	2,830.21	3,743.34	893.68	-	19.45	913.13
Financial liabilities								
Long term borrowings	-	-	1,247.43	1,247.43	-	-	-	-
Short term borrowings	-	-	131.86	131.86	-	-	-	-
Lease Liabilities	-	-	36.77	36.77	-	-	-	-
Trade payables	-	-	87.48	87.48	-	-	-	-
Other financial liabilities	-	-	114.14	114.14	-	-	-	-
	-	-	1,617.68	1,617.68	-	-	-	-

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For financial year ended 31st March 2026

(₹ in Crore)

31st March, 2025	Carrying amount				Fair Value			
	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 Investments	-	1.45	1,072.82	1,074.27	-	-	1.45	1.45
Current investments								
Quoted Investments	239.43	-	-	239.43	239.43	-	-	239.43
Unquoted Investments	-	-	115.24	115.24	-	-	-	-
Loans & other financial assets	-	-	624.70	624.70	-	-	-	-
Trade receivables	-	-	172.34	172.34	-	-	-	-
	239.43	1.45	2,474.39	2,715.27	239.43	-	1.45	240.88
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	-	-	-	-

* 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).

Notes to financial statements

For financial year ended 31st March 2026

44 INCOME TAX EXPENSE

i) Income tax recognized in profit or loss

a) Current tax expense

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Current year	-	-
Adjustment for prior periods	-	(0.12)
Deferred tax expense		
Origination and reversal of temporary differences	314.37	220.82
Total income tax expense	314.37	220.70

ii) Income tax recognized in OCI

	As at 31st March 2026	As at 31st March 2025
Remeasurements of defined benefit plans and fair valuation of Equity Instruments	-	-
Total income tax expense relating to OCI items	-	-

b) Reconciliation of tax expense and accounting profit

	As at 31st March 2026	As at 31st March 2025
Accounting profit before tax from continuing operations	1,263.08	828.76
Accounting profit before tax from discontinued operations		
Accounting profit before tax	1,263.08	828.76
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	317.89	208.58
Adjustments in respect of current income tax of previous years	-	(0.12)
Exempted Income not considered for tax purpose	(11.03)	(5.30)
Expense Allowable for tax purpose	(124.12)	(72.47)
Expense not allowed for tax purpose	49.98	48.44
Income considered for tax purpose other than PGBP	36.58	26.76
Utilization of previously unrecognized tax losses/unabsorbed depreciation on account of business combination	-	(206.02)
Utilization of previously unrecognized tax losses/unabsorbed depreciation	(269.29)	-
Other temporary differences	314.37	220.82
Effective income tax rate	24.89%	26.63%
Income tax reported before Adjustment	314.37	220.70
Income tax reported in the statement of profit and loss	314.37	220.70
	314.37	220.70

Notes to financial statements

For financial year ended 31st March 2026

c) Deferred tax assets and liabilities

Deferred tax relates to the following:

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
DTL/(DTA) due to accelerated depreciation for tax purposes	(12.55)	9.42
DTL/(DTA) due to expenses allowed on payment basis	1.00	1.01
DTL/(DTA) impact on indexation of land	-	10.58
DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation	269.29	206.02
DTL/(DTA) impact on net movement , Valuation & others	56.63	(6.21)
	314.37	220.82

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d) Reconciliation of deferred tax assets/ Liabilities

	As at 31st March 2026	As at 31st March 2025
Opening balance as at 1st April	(52.68)	39.46
DTL/(DTA) on account of business combination	-	(312.96)
Tax income/expense during the period recognized in profit or loss	314.37	220.82
Closing balance	261.69	(52.68)

- 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** With effect from November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. The Ministry of Labour & Employment notified Central Rules on 8th May 2026 however State Rules are yet to be notified. The Company has estimated and recorded past service cost based on the best available information and in consultation with external experts which is not material.

Notes to financial statements

For financial year ended 31st March 2026

53 DISTRIBUTION MADE AND PROPOSED

(₹ in Crore)

	31st March 2026	31st March 2025
Dividends on equity shares declared and paid:		
Final dividend paid during the year ended on 31st March 2026: ₹ 1.50 per share (31st March 2025: ₹ 1.00 per share)	52.86	35.24
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31st March 2026: ₹ 2.00 per share (31st March 2025: ₹ 1.50 per share)	70.48	52.86

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	2025-26	2024-25	% Variance	Reasons for Variance for more than /less than 25%
1	Current Ratio (Times) (Current Assets / Current Liabilities)	10.56	6.34	66.46%	Increased primarily due to increase in current assets on account of additional investments made during the year.
2	Debt - Equity Ratio (Times) (Long Term Debts + Current Maturities) / (Equity + Other Equity)	0.20	0.24	-17.05%	
3	Debt -Service Coverage Ratio (Profit after Tax + Depreciation + Interest +/- Exceptional items +/- profit/(loss) on sale of fixed assets)	6.17	4.92	25.48%	Increased primarily due to increase in PAT on account of power sales of IPP division, which includes profit of 12 months in FY 2025-26 instead of 7 months in FY 2024-25.
4	Return on Equity (Profit after Tax / Shareholder's Equity i.e. equity + other equity)	14.13%	12.78%	10.59%	
5	Inventory Turnover Ratio (Days) (Average Inventory / Sales X 365)	49.72	40.31	23.34%	
6	Trade Receivables Turnover Ratio (Days) (Average Trade Receivables / Sales X 365)	15.24	9.18	66.02%	Increased primarily due to increase in average trade receivables due to merger of SKS Power Generation (Chhattisgarh) Limited in FY 2024-25.
7	Trade Payables Turnover Ratio (Days) (Average Trade Payables / (Cost Material consumed+ Stores & Spares consumption X 365)	15.77	14.10	11.83%	
8	Net Capital Turnover Ratio (Times) [Sales / Working Capital (Current Assets - Current Liabilities)]	1.36	2.00	-32.14%	Decreased primarily due to increase in current investments resulting in increase in net working capital .
9	Net Profit Ratio (%) (Profit after Tax / Sales)	21.89%	17.45%	25.43%	Increased primarily due to increase in PAT on account of power sales of IPP division, which includes profit of 12 months in FY 2025-26 instead of 7 months in FY 2024-25.

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For financial year ended 31st March 2026

S. No.	Ratio	2025-26	2024-25	% Variance	Reasons for Variance for more than /less than 25%
10	Return on Capital Employed (ROCE)	16.81%	15.07%	11.56%	
	[(Earning before Interest & Taxes +/- exceptional items / (Total Net worth + Long term debt + Deferred Tax Liability)]				
11	Return on Investment				
	(i) Equity	16.04%	-7.52%	113.34%	Increased due to fair value gain on financial instruments at FVTPL.
	(ii) Bonds/ NCD	10.37%	9.52%	8.93%	
	(iii) Mutual Funds	5.54%	7.39%	-25.03%	Decreased due to poor returns on financial instruments on account of non favourable market conditions.

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 31st March, 2026	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
Parvatiya Power Limited	15.90	51.48	
Natural Resources Energy Private Limited	3.22	3.22	
Chhattisgarh Hydro Power LLP	47.01	55.13	
Sarda Hydro Power Private Limited (Formerly known as Sarda Hydro Power LLP)	7.57	7.57	
Chhatisgarh Investments Limited	406.48	423.45	13,75,86,862

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	26.71	Interest received

56. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Amount Outstanding as on 31st March, 2026

(₹ in Crore)

Loans Given	563.83
Guarantees / Indemnity Given	42.36
Investments Made	1,121.45

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For financial year ended 31st March 2026

Loans, Guarantees given or Investments made during FY 2025-26

(₹ 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 utilized
Chhatisgarh Investment Limited	120.04	Loan*	Business Purpose
Sarda Hydro Power Private Limited (Formerly known as Sarda Hydro Power LLP)	2.40		
Natural Resources Energy Private Limited	0.49		
Chhattisgarh Hydro Power LLP	19.96		
Vyas & Co.	2.00		
Dipak Raheja	2.87		
Arvind Industries	0.70		
Ankur Industries	0.60		
Abhishek Industries	0.60		
Speciality Ceramics	0.50		
Monoflux Industries	0.50		
Shubh Ceramics	0.50		
Arvind Ceramics	0.60		
Shivaya Capital Private Limited	1.50		
Khan And Sons	0.03		
Himanshi Enterprises	0.13		
Sarda Renewable Energy Limited (Formerly Known as Sarda Energy Limited)	48.23	Investment Made	
Chhattisgarh Hydro Power LLP	57.24		

Note :- * Represents net amount of loan given and repaid during the year ended 31st March 2026

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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Independent

Auditor's Report

TO THE MEMBERS OF SARDA ENERGY & MINERALS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SARDA ENERGY & MINERALS LIMITED** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled entities, which comprise the consolidated Balance Sheet as at 31st March, 2026, 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 March 31, 2026, 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. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

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

Independent

Auditor's Report

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

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Auditor's Report

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

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

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

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

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

Other Matters

- We did not audit the financial statements of eleven subsidiaries, whose financial statements reflect total assets of ₹ 2,757.06 crore as at 31st March, 2026, total revenues of ₹ 438.03 crore, and net cash flows amounting to ₹ 10.41 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- The consolidated financial statements also include the Group's share of net profit of ₹ 46.14 crore and the Group's share of total comprehensive income of ₹ 46.86 crore for the year ended 31st March, 2026, 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:

- 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.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated

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Auditor's Report

financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph (j) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2026 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, 2026 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

Independent

Auditor's Report

("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (i) As stated in Note 54 to the consolidated financial statements

- (a) 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, the Holding Company and one subsidiaries viz. Sarda Metal & Alloys Limited have used accounting software for maintaining its books of account at application level, 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 software, however, the feature of recording audit trail (edit log) facility was not enabled at database level to log any direct data changes for the accounting software used for maintaining the books of account. Further, based on our examination which included test checks, and as communicated by the respective auditor of subsidiaries, associates and joint venture companies and its subsidiary companies, associates and joint venture companies incorporated in India have used accounting software 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 except the exception mentioned above. 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 there are no qualifications or adverse remarks in these CARO reports.

For **SINGHI & CO.**
(ICAI Firm Regn.302049E)
Chartered Accountants

SANJAY KUMAR DEWANGAN
Partner

Membership number: 409524
UDIN: 26409524TWPJYM2594

Raipur, May 23, 2026

Annexure 'A'

to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2026, we have audited the internal financial controls over financial reporting of **Sarda Energy & Minerals Limited** (the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

Annexure 'A'

to the Independent Auditor's Report

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, 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.

Raipur, May 23, 2026

For **SINGHI & CO.**
(ICAI Firm Regn.302049E)
Chartered Accountants

SANJAY KUMAR DEWANGAN
Partner
Membership number: 409524
UDIN: 26409524TWPJYM2594

Consolidated Balance Sheet

as at 31st March 2026

(₹ in Crore)

	Note	As at 31.03.2026	As at 31.03.2025
ASSETS			
(1) Non-current Assets			
(a) Property, Plant & Equipment	2	5,888.80	5,655.89
(b) Capital work-in-progress	2	462.70	719.85
(c) Right-of-use Assets	2	59.57	55.57
(d) Investment Property	2	35.34	36.36
(e) Goodwill on Consolidation		33.00	33.00
(f) Other Intangible Assets	2	83.03	64.17
(g) Intangible Assets under development		9.17	8.52
(h) Investment in associates and joint ventures	3(a)	95.18	92.31
(i) Financial Assets			
(i) Investments	3(b)	35.00	50.65
(ii) Others Financial Assets	4	57.72	46.14
(j) Other Non-current Assets	5	193.70	214.88
		6,953.21	6,977.34
(2) Current Assets			
(a) Inventories	6	794.18	808.78
(b) Financial Assets			
(i) Investments	7	1,515.26	649.02
(ii) Trade receivables	8	276.16	221.04
(iii) Cash & cash equivalents	9	107.58	57.82
(iv) Bank balances other than (iii) above	10	756.91	550.41
(v) Loans	11(a)	508.77	478.15
(vi) Other financial assets	11(b)	43.98	30.93
(c) Current tax assets (net)		1.50	0.51
(d) Other Current Assets	12	413.15	350.58
		4,417.49	3,147.24
TOTAL ASSETS		11,370.70	10,124.58
EQUITY AND LIABILITIES:			
Equity			
(a) Equity Share capital		35.24	35.24
(b) Other Equity	13(a)	7,334.76	6,251.19
Equity Attributable to owners of the company	13(b)	7,370.00	6,286.43
Non Controlling Interests		106.29	105.84
Total Equity		7,476.29	6,392.27
Liabilities			
(1) Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		2,134.43	2,341.94
(ii) Lease Liabilities	14	33.78	33.68
(iii) Other financial liabilities	15	77.05	48.14
(b) Provisions	16	272.99	254.11
(c) Deferred tax liabilities (Net)	17	390.55	21.97
(d) Other non current liabilities	18	4.10	4.20
	19	2,912.90	2,704.04
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	460.72	480.86
(ii) Lease Liabilities	15	2.99	4.57
(iii) Trade Payables	21		
(a) Total outstanding dues of micro and small enterprises		13.56	4.24
(b) Total outstanding dues of creditors other than micro and small enterprises		158.41	190.15
(iv) Other financial liabilities	22	302.49	313.10
(b) Other current liabilities	23	36.05	29.19
(c) Provisions	24	4.87	4.86
(d) Current tax liabilities (net)		2.42	1.30
		981.51	1,028.27
TOTAL EQUITY AND LIABILITIES		11,370.70	10,124.58

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

Partner

Membership No. 409524

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

(₹ in Crore)

	Note	Year Ended 31.03.2026	Year Ended 31.03.2025
I. Revenue from operations	25	5,690.45	4,642.85
II. Other income	26	237.09	172.40
III. Total Revenue (I + II)		5,927.54	4,815.25
IV. Expenses			
Cost of materials consumed	27	2,782.86	2,495.40
Purchases of Stock-in-Trade		146.93	103.77
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(11.80)	(26.53)
Employee benefits expense	29	221.51	176.15
Finance costs	30	244.46	220.20
Depreciation and amortization expense	2	340.81	271.43
Other expenses	31	763.52	656.71
Total Expenses		4,488.29	3,897.13
V. Profit before Exceptional Items and Tax (III - IV)		1,439.25	918.12
VI. Exceptional items (Income) / Expense (Note 53)		(10.24)	0.36
VII. Profit Before Tax (V - VI)		1,449.49	917.76
VIII. Tax expense:			
(1) Current tax		18.07	10.70
(2) Deferred tax		368.12	225.87
IX. Profit for the year before share of profit of Joint Ventures & Associates (VII - VIII)		1,063.30	681.19
X. Add: Share of Profit of Joint Ventures & Associates		46.14	21.00
XI. Profit for the year (IX + X)		1,109.44	702.19
XII. Other comprehensive income/(loss) for the year, net of tax	32		
Items that will not be reclassified to profit or loss		(6.22)	(2.82)
Income tax relating to items that will not be reclassified to profit or loss		(0.37)	(5.10)
XIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,102.85	694.27
XIV. Net Profit /(loss) attributable to			
a/ Owner of the Company		1,105.86	699.82
b/ Non Controlling Interest		3.58	2.37
XV. Total Comprehensive income /(loss) attributable to			
a/ Owner of the Company		1,102.42	693.94
b/ Non Controlling Interest		0.43	0.33
XVI. Earnings per equity share:	33		
Basic		31.38	19.86
Diluted		31.38	19.86

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

Partner

Membership No. 409524

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

Consolidated Statement of Changes in Equity

for the year ended 31st March 2026

(₹ in Crore)

a Equity Share Capital

For the year ended 31st March 2025

Balance at 1st April, 2024	Changes in equity share capital during the year	Balance at 31st March, 2025
35.24	-	35.24

For the year ended 31st March 2026

Balance at 1st April, 2025	Changes in equity share capital during the year	Balance at 31st March, 2026
35.24	-	35.24

b Other Equity

	Reserves And Surplus					OCI	Exchange differences on translating the financial statements of the foreign operations	Non controlling Interest	Total other equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income			
Balance as of 1st April, 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

	Reserves And Surplus					OCI	Exchange differences on translating the financial statements of the foreign operations	Non controlling Interest	Total other equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income			
Balance as of 1st April, 2025	1,736.24	194.03	0.81	20.97	4,265.77	(9.05)	42.42	105.84	6,357.03
Other Comprehensive Income						(3.44)		(3.13)	(6.57)
For the year	-	-					34.01		34.01
Profit for the year					1,105.86			3.58	1,109.44
Final Dividends					(52.86)				(52.86)
Balance as of 31st March, 2026	1,736.24	194.03	0.81	20.97	5,318.77	(12.49)	76.43	106.29	7,441.05

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

Raipur

Dated: May 23, 2026

K. K. SARDAChairman
DIN: 00008170**P. K. JAIN**Wholetime Director & CFO
DIN: 00008379**MANISH SETHI**Company Secretary
ACS 18069

Consolidated Cash Flow Statement

for the year ended 31st March 2026

(₹ in Crore)

	Year Ended 31.03.2026	Year Ended 31.03.2025
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit & Loss Account	1,449.49	917.76
Adjustments to reconcile profit before tax to cash generated by operating activities		
Depreciation and amortization expense	340.81	271.70
Finance Costs	244.46	220.20
Corporate Guarantee commission	(0.41)	-
Exchange differences on translation of assets & liabilities	34.03	6.89
Net (Gain)/Loss pertaining to fair valuation of investments and foreign currency transaction	(35.15)	(4.59)
Interest Income	(104.94)	(100.29)
Dividend income	(14.72)	(5.26)
Amortization of Capital Subsidy	(0.05)	(0.05)
(Profit)/ Loss on sale of investments	(50.30)	(22.23)
(Profit)/ Loss on sale of PPE and scrapping of assets	0.48	0.06
Allowance for credit losses on financial assets	1.35	(0.47)
Impairment loss on discarding of Assets	10.24	(0.36)
Operating Profit Before Working Capital Changes	1,875.29	1,283.36
Changes in assets and liabilities		
Trade Receivables	(55.20)	(75.74)
Inventories	14.60	(200.75)
Trade Payables	(22.50)	21.78
Loans and advances and other assets	(78.77)	(156.15)
Liabilities and provisions	22.17	45.63
	1,755.59	918.13
Income Tax Paid	(20.74)	(32.43)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	1,734.85	885.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Property Plant & Equipment	(337.82)	(490.32)
Consideration paid for acquisition of business	-	(1,783.98)
Sale of Property, Plant & Equipment	2.83	0.60
Investment made in Joint Ventures, MFs & Others	(809.84)	(107.67)
Investment in FDR (made)/liquidated	(206.47)	113.29
Investment liquidated in MFs & Others	96.59	22.22
Loan repaid by/(given to) related & others parties	(30.74)	8.42
Interest received	104.94	100.29
Dividend received	14.72	5.26
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	(1,165.79)	(2,131.89)

Consolidated Cash Flow Statement

for the year ended 31st March 2026

(₹ in Crore)

	Year Ended 31.03.2026	Year Ended 31.03.2025
	Audited	
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	-	1,443.05
Repayment of long term borrowings	(206.65)	(159.51)
Short term borrowings (net)	(16.75)	173.85
Interest Paid	(238.55)	(220.77)
Dividend paid	(52.86)	(35.24)
Repayment of Lease Liabilities	(4.49)	(1.42)
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	(519.30)	1,199.96
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	49.76	(46.23)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	57.82	104.05
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	107.58	57.82
Supplementary Information:		
Restricted Cash Balance	1.01	0.99

Notes

- (a) Cash and cash equivalent include the following :

Cash on Hand	0.33	0.35
Balances with banks	107.25	57.47
	107.58	57.82

- (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 1st April 2025	Cash Flow		Non cash changes		As at 31st March 2026
		Proceeds	Repayments	Ind AS/ other Adjustments	Classification changes	
Long Term Borrowings	2,341.94	-	(206.65)	(3.83)	2.97	2,134.43
Short Term Borrowings	480.86	-	(16.75)	(0.41)	(2.98)	460.72
Lease Liabilities	38.25	-	(4.49)	3.01	-	36.77

- (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

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Material accounting policies and notes to Consolidated financial statements

for financial year ended 31st March 2026

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, 2026. 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, 2026.

- 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 Consolidated financial statements

for financial year ended 31st March 2026

- 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 2026

Note No.2 : PROPERTY, PLANT & EQUIPMENT

(₹ in Crore)									
	Gross Block			Depreciation			Net Block		
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Deprecia- tion for the year	As on 31.03.2026	As on 31.03.2026	As on 31.03.2025
Freehold Land	92.00	0.04	2.71	89.33	-	-	-	89.33	92.00
Leasehold Land	14.60	0.02	1.73	12.89	1.39	0.40	1.79	11.10	13.21
Building	770.63	67.46	0.07	838.02	160.06	49.27	209.27	628.75	610.57
Plant & Machinery	5,902.85	499.69	6.04	6,396.50	985.06	279.96	1,262.19	5,134.31	4,917.79
Furniture, Fixture & Equipments	23.47	3.20	0.08	26.59	13.95	2.89	16.76	9.83	9.52
Vehicles	25.95	7.62	2.11	31.46	13.15	4.34	15.98	15.48	12.80
	6,829.50	578.03	12.74	7,394.79	1,173.61	336.86	4.48	1,505.99	5,888.80
									5,655.89
Depreciation taken to Preoperative Expenses						0.14			
Net Depreciation during the year						336.72			

Ageing of capital work-in-progress is as below:

As at 31st March 2026

CWIP	Amount in CWIP for a period of			Total
	Less than 1 year	1 to 2 years	2 to 3 years	
Projects in progress	186.43	262.89	2.17	462.70
Project temporarily suspended	-	-	-	-
	186.43	262.89	2.17	462.70

Note:

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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

RIGHT-OF-USE-ASSETS

(₹ in Crore)

	Gross Block			Depreciation			Net Block	
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Deprecia- tion for the year	As on 31.03.2026	As on 31.03.2025
Land	58.30	5.23	0.25	63.28	2.73	0.98	3.71	59.57
	58.30	5.23	0.25	63.28	2.73	0.98	3.71	55.57

Investment Property

	Gross Block			Depreciation			Net Block	
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Deprecia- tion for the year	As on 31.03.2026	As on 31.03.2025
Freehold Land - IP	32.75	-	0.93	31.82	-	-	31.82	32.75
Building - IP	4.22	-	-	4.22	0.61	0.09	0.70	3.61
	36.97	-	0.93	36.04	0.61	0.09	0.70	36.36

Amount recognized in profit & loss for investment properties:

	31.03.2026
Rental Income (Included in non-operating income)	0.24
Other expenses related to investment Properties	0.05
Profit from Investment Properties before depreciation	0.19
Depreciation	0.09
Profit/(Loss) from Investment Properties	0.10

Notes to Consolidated financial statements

For financial year ended 31st March 2026

OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Gross Block			Depreciation			Net Block		
	As on 01.04.2025	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2026	Up to 01.04.2025	Deprecia- tion for the year	Transfer/ Adjustment	As on 31.03.2026	As on 31.03.2025
Computer Software	2.49	0.16	-	2.65	2.12	0.16	-	2.28	0.37
Minig Rights & Development	40.11	12.52	-	52.63	5.88	1.42	-	7.30	34.23
Rights to use land	39.58	9.20	-	48.78	10.01	1.44	-	11.45	29.57
	82.18	21.88	-	104.06	18.01	3.02	-	21.03	64.17

Ageing of Intangible assets under development

As at 31st March 2026

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	8.35	0.60	0.22	9.17
	8.35	0.60	0.22	9.17

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 and Right-of-Use Assets pledged against borrowings is presented in Note no.14 and 20.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note No. 2 : PROPERTY, PLANT & EQUIPMENT (Previous year)

(₹ in Crore)

	Gross Block			Depreciation			Net Block	
	As on 01.04.2024	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024	Deprecia- tion for the year	As on 31.03.2025	As on 31.03.2024
Freehold Land	47.02	44.98	-	92.00	-	-	92.00	47.02
Leasehold Land	14.60	-	-	14.60	1.00	0.39	13.21	13.60
Building	459.39	311.24	-	770.63	123.02	37.04	610.57	336.37
Plant & Machinery	3,045.28	2,862.41	4.84	5,902.85	762.37	224.32	4,917.79	2,282.91
Furniture, Fixture & Equipments	17.35	6.14	0.02	23.47	11.70	2.26	9.52	5.65
Vehicles	21.85	6.37	2.27	25.95	10.57	4.26	12.80	11.28
	3,605.49	3,231.14	7.13	6,829.50	908.66	268.27	5,655.89	2,696.83
Depreciation taken to Preoperative Expenses						0.54		
Net Depreciation during the year						267.73		

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	
Projects in progress	501.00	153.95	48.48	719.85
Project temporarily suspended	-	-	-	-
	501.00	153.95	48.48	719.85

Note:

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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

RIGHT-OF-USE-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 for the year	Transfer / Adjustment	As on 31.03.2025	As on 31.03.2024
Land	20.55	37.75	-	58.30	1.98	0.75	55.57	18.57
	20.55	37.75	-	58.30	1.98	0.75	55.57	18.57

Investment Property

	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 for the year	Transfer / Adjustment	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	3.61	3.70
	38.53	-	1.56	36.97	0.52	0.09	36.36	38.01

Amount recognized in profit & loss for investment properties:

	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 Consolidated financial statements

For financial year ended 31st March 2026

OTHER INTANGIBLE ASSETS

(₹ in Crore)

	Gross Block			Depreciation			Net Block		
	As on 01.04.2024	Addition during the year	Transfer / Sale / Ad- justment	As on 31.03.2025	Up to 01.04.2024	Depreciation for the year	Transfer / Adjustment	As on 31.03.2025	As on 31.03.2024
Computer Software	2.40	0.09	-	2.49	1.95	0.17	-	2.12	0.45
Minig Rights & Development	40.11	-	-	40.11	4.45	1.43	-	5.88	35.66
Rights to use land	39.58	-	-	39.58	8.75	1.26	-	10.01	30.83
	82.09	0.09	-	82.18	15.15	2.86	-	18.01	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
	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 and Right-of-Use Assets pledged against borrowings is presented in Note no.14 and 20.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note 3 : NON CURRENT ASSETS - FINANCIAL ASSET - INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
(a) Investment in Joint Ventures and Associates		
Using equity method	95.18	92.31
	95.18	92.31
(b) Investments		
Carried at FVTOCI		
Investments in other companies in Unquoted Equity Instruments	9.78	50.65
Carried at FVTPL		
Investment in Mutual Fund	25.22	-
	35.00	50.65

Note 4 : NON CURRENT ASSETS - FINANCIAL ASSET-OTHER FINANCIAL ASSETS

	As at 31st March 2026	As at 31st March 2025
Unsecured , considered good		
(a) Security Deposits	58.26	46.70
Less:- Provision for doubtful deposits	(40.11)	(40.12)
(b) Bank Deposit with more than 12 months maturity	11.82	11.82
(c) Contracted assets	27.75	27.74
	57.72	46.14

Note 5 : OTHER NON-CURRENT ASSETS

	As at 31st March 2026	As at 31st March 2025
(a) Capital Advances		
Unsecured, considered good	92.72	103.10
Less:- Provision for doubtful capital advances	(9.62)	(9.25)
(b) Advances other than capital advances		
Unsecured, considered good		
Security deposits and others	65.55	71.02
Pre Paid Expenses	45.05	50.01
	193.70	214.88

Note 6 : INVENTORIES

(valued at lower of cost and net realisable value)

	As at 31st March 2026	As at 31st March 2025
(a) Raw Material	403.94	456.42
(b) Finished / semi finished goods (includes stock in transit of ₹1.75 crore (P.Y. ₹20.73 crore)	235.66	225.54
(c) Stock-in-Trade	1.70	0.02
(d) Stores and spares	141.60	117.02
(e) Project under Development	11.28	9.78
	794.18	808.78

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note 7 : CURRENT ASSETS - FINANCIAL ASSETS-INVESTMENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Carried at FVTPL		
(i) Investments in Equity Instruments in other Companies (Quoted)	296.53	160.68
(ii) Investments in Mutual Funds/Bonds and Debentures (quoted)	927.79	285.94
(iii) Investments held for trading	290.94	202.40
	1,515.26	649.02

Note 8 : CURRENT ASSETS - FINANCIAL ASSETS-TRADE RECEIVABLES

	As at 31st March 2026	As at 31st March 2025
Trade receivables considered good - Unsecured	276.16	221.04
Trade receivables which have significant increase in Credit Risk	38.30	109.78
Trade receivable - credit impaired	-	0.63
Less: Provision for trade receivables considered good which have significant credit risk and credit impaired	(38.30)	(110.41)
	276.16	221.04

Outstanding for following period for due of payment as on 31st March 2026

	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	233.86	41.17	0.02	0.95	-	0.16	276.16
Undisputed trade receivables- which have significant increase in Credit Risk	-	1.47	0.06	6.16	0.02	30.59	38.30
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	-	-	-	-	-	-	-
	233.86	42.64	0.08	7.11	0.02	30.75	314.46

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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note 9 : CURRENT ASSETS - FINANCIAL ASSETS-CASH & CASH EQUIVALENTS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balances with banks		
In current accounts	73.60	11.52
Deposits with Banks-Maturity for less than 3 months	33.66	45.95
Cash on hand	0.32	0.35
	107.58	57.82

Note 10 : CURRENT ASSETS - FINANCIAL ASSETS-BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March 2026	As at 31st March 2025
Fixed Deposits with Banks-Maturity for more than 3 months and less than 12 months	755.90	549.42
Unpaid dividend	1.01	0.99
	756.91	550.41

Note 11(a) : CURRENT ASSETS - FINANCIAL ASSETS - LOANS

	As at 31st March 2026	As at 31st March 2025
(a) Loans and advances to related parties		
Considered good - Unsecured	424.80	303.03
(b) Other loans		
Considered good - Unsecured		
(i) Loans to employees	1.40	1.52
(ii) Loans and advances to other parties	82.57	173.60
	508.77	478.15

Note 11(b) : CURRENT ASSETS - FINANCIAL ASSETS - OTHER FINANCIAL ASSET

Unsecured, Considered good		
(i) Earnest money deposit	21.46	13.85
Less-Provision for doubtful deposits	(10.00)	(10.00)
(ii) Claims & recoverables	32.52	27.08
	43.98	30.93

Note 12 : OTHER CURRENT ASSETS

(Unsecured, considered good)(Advances other than capital advances)

	As at 31st March 2026	As at 31st March 2025
(i) Employee Advance	0.23	0.30
(ii) Advances to vendors	331.33	305.92
(iii) Advance royalty paid	12.26	9.94
(iv) Prepaid expenses	16.90	7.98
(v) Balances with revenue authorities	47.30	16.78
(vi) Others	5.13	9.66
	413.15	350.58

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note 13 (a) EQUITY SHARE CAPITAL

(₹ in Crore)

	As at 31st March 2026		As at 31st March 2025	
	No.	₹ in Crore	No.	₹ in Crore
A Authorized				
Equity Shares of ₹ 1/- each#	25,550,100,000	2,555.01	25,550,100,000	2,555.01
Issued, Subscribed and fully paid up				
Equity Shares of ₹ 1/- each	352,381,270	35.24	35,238,1270	35.24
	352,381,270	35.24	35,238,1270	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 2026		As at 31st March 2025	
	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
Add: Increased during the year	-	-	-	-
Less: Deductions during the period	-	-	-	-
Number of shares outstanding at the end of the period	352,381,270	35.24	352,381,270	35.24

(#) 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 shareholder.

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

Name of the shareholder	As at 31st March 2026		As at 31st March 2025	
	Number of shares	%	Number of shares	%
Chhattisgarh Investments Limited	137,586,862	39.04%	137,586,862	39.04%
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 2026, the Company has not issued bonus shares, and has not allotted any equity shares for 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 Consolidated financial statements

For financial year ended 31st March 2026

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

(₹ in Crore)

Share held by promoter at the end of the year				% Change during the year
S No.	Promoter Name	No of Shares	% of total shares	
1	Kamal Kishore Sarda	5,626,084	1.60%	0.00%
2	Ankita Aditya Sarda	425	0.00%	0.00%
3	Kamal Kishore Rathi [@]	-	0.00%	0.00%
4	Saurabh Rathi [@]	60,810	0.02%	0.00%
5	Aditi Sarda	88,730	0.03%	0.00%
6	Shashi Rathi	189,150	0.05%	0.00%
7	Jugal Kishore Sarda (HUF)	211,000	0.06%	0.00%
8	Sonal Sarda	552,160	0.16%	0.00%
9	Aditya Ghanshyam Sarda	1,128,400	0.32%	0.00%
10	Raghav Sarda	1,061,400	0.30%	-0.02%
11	CSP Investments (Chhatisgarh Investments Limited, Sarda Agriculture and Properties Private Limited, Prachi Agriculture & Properties Private limited)	1,439,370	0.41%	0.00%
12	Vipula Sarda	4,172,890	1.18%	0.00%
13	Ghanshyam Sarda [^]	13,233,860	3.76%	1.99%
14	Pankaj Sarda	6,714,410	1.91%	0.00%
15	Veenadevi Sarda [^]	-	0.00%	-1.99%
16	Manish J Sarda	7,552,160	2.14%	0.00%
17	Neeraj Sarda	7,000,000	1.99%	0.00%
18	Anant Sarda	7,852,890	2.23%	0.00%
19	Uma Sarda - Trustee to K K Sarda Family Trust	9,715,450	2.76%	0.00%
20	Uma Sarda	12,072,210	3.43%	0.00%
21	Prachi Agriculture & Properties Private limited	15,720,220	4.46%	0.02%
22	Sarda Agriculture and Properties Private limited	25,818,670	7.33%	0.00%
23	Chhatisgarh Investments limited	137,586,862	39.04%	0.00%
		257,797,151	73.16%	0.00%

[@] Dr. K.K. Rathi expired and his holdings were transmitted to Mr. Saurabh Rathi. Holding of Mr. K.K. Rathi got transmitted to Mr. Saurabh Rathi and accordingly, Mr. Saurabh Rathi became a part of promoter group. Due to this, his holding of 2500 shares also got clubbed resulting in increase in overall promoter holding.

[^] Holding of Mrs. Veenadevi Sarda were transmitted to Mr. Ghanshyam Sarda.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Note 13 (b) OTHER EQUITY

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Capital Reserve		
Balance as per last financial statements	1,736.24	4.05
Addition/deduction during the year	-	1,732.19
	1,736.24	1,736.24
Capital Redemption Reserve		
Balance as per last financial statements	0.81	0.81
	0.81	0.81
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	42.42	35.53
Addition / (deduction) during the year	34.01	6.89
	76.43	42.42
Retained earnings		
Balance as per last financial statements	4,265.77	3,601.19
Add : Profit for the year	1,105.86	699.82
Equity Dividend	(52.86)	(35.24)
	5,318.77	4,265.77
Other Comprehensive Income		
Balance as per last financial statements	(9.05)	(3.18)
Addition / (deduction) during the year	(3.44)	(5.87)
	(12.49)	(9.05)
	7,334.76	6,251.19

- (i) During amalgamation, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.
- (ii) Securities premium is used to record the premium received on issue of shares. It is to be utilized in accordance with the provisions of Companies Act, 2013.
- (iii) 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) Capital Reserve - During amalgamation, the excess of net assets required over the cost of consideration paid is treated as capital reserve.
- (vi) 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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

financial assets. The balance of reserves represents such changes recognized net of amounts reclassified to retained earnings on disposal of such investments.

- (vii) 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.

Note 14 : NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

	Non-Current portion		Current Maturities	
	As at 31st March 2026	As at 31st March 2025	As at 31st March 2026	As at 31st March 2025
Term loans (Secured)				
From banks				
Indian Rupee Loan	1,461.32	1,588.29	228.70	231.68
Buyer's Credit for Capital Goods	11.00	9.91	-	-
from others				
Indian rupee loan from Financial institutions	662.11	743.74	-	-
	2,134.43	2,341.94	228.70	231.68

1) Nature of security :

Sarda Energy & Minerals Limited

- 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.
- 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.

Madhya Bharat Power Company Limited

- Term Loan is secured by pari passu charge by way of hypothecation of movable assets ,operating cash flows and current assets of the company and mortgage of immovable properties of plant situated in East Sikkim .
- In addition the term loan is secured by the unconditional and irrevocable personal guarantee of the Promoter Director which shall continue to remain in force up to 19.12.2026.
- The Company is required to maintain a Debt Service Reserve Account (DSRA) equivalent to one quarter of interest and installment obligations.

Kalyani Coal Mining Private Limited

Corporate Guarantee of ₹ Nil (PY ₹ 8.25 Crore) of Holding Company Sarda Energy & Minerals Limited.

Bartunga Coal Private Limited

Corporate Guarantee of ₹ 40.75 Crore (PY ₹ 40.75 Crore) of Holding Company Sarda Energy & Minerals Limited.

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

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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 Metals & 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 Lender.
- 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 Lender.
- iii Corporate Guarantee of ₹ 1.61 Crore (PY ₹ 9.01 Crore) of Holding Company Sarda Energy & Minerals Limited.

For Working Capital Term Loan

Indian Rupee Term Loan to the extent of ₹ 56.97 Crore from HDFC Bank is secured by Central Govt Guarantee and pari passu second charge on all the assets of the company.

2) Repayment terms :

Sarda Energy & Minerals Limited

- i Rupee term loan of ₹ 700 crore (Present Outstanding ₹ 672 crore) from HDFC Bank is payable in 120 equal quarterly installments starting from November 2024.
- ii Rupee term loan of ₹ 675 crore (Present Outstanding ₹ 675 crore) from Axis Bank Ltd is payable in 42 quarterly installments starting from May 2026.

Madhya Bharat Power Company Limited

Indian Renewal Energy Development Agency Limited (IREDA)-

- i Term loan amounting to ₹ 140 crore from the lender is repayable in 60 quarterly installments, comprising 40 installments of ₹ 1.54 crore each and the balance 20 installments of ₹ 3.93 crore each, commencing from July 2022 and ending on 15.04.2035.
- ii The take over loan of ₹ 688.85 crore is repayable in 53 quarterly structured installments.
- iii The additional term loan of ₹ 200 crore is repayable in 60 quarterly equal 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 Metals & 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, 35 & 31 instalments have been repaid up to 31.03.2026 & 31.03.2025 respectively.
- ii Indian Rupee Term Loan sanctioned from Axis Bank of ₹ 49 Crore is payable in 24 unequal quarterly instalments commencing from December 2025 and ending on September 2031. Out of the 24 unequal quarterly instalments, 02 & Nil instalments have been repaid up to 31.03.2026 & 31.03.2025 respectively.
- iii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 40.14 Crore (TL-1) is payable in 27 unequal quarterly instalments commencing from September 2019 and ending on June 2026. Out of the 27 unequal quarterly instalments, 26 & 22 instalments have been repaid up to 31.03.2026 & 31.03.2025 respectively.
- iv Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 11.50 Crore (TL-2) is payable in 24 equal quarterly

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instalments commencing from September 2019 and ending on September 2025. Out of the 24 unequal quarterly instalments, 22 instalments have been repaid till 31.03.2025 and the Loan has been repaid in full in FY 26 by way of payment of balance two installments.

- 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 instalments have been repaid up to 31.03.2025 and the loan has been repaid in full in FY 26 by way repayment of balance 12 installments. .
- vi Indian Rupee Term Loansanctioned from HDFC Bank of ₹ 78.85 Crore (TL-4) is payable in 20 unequal quarterly instalments commencing from March 2023 and ending on December 2027. Out of the 20 unequal quarterly instalments, 13 & 9 instalments have been repaid up to 31.03.2026 & 31.03.2025 respectively.
- vii Indian Rupee Term Loan sanctioned from HDFC Bank of ₹ 50 Crore (TL-5) is payable in 32 unequal quarterly instalments commencing from June 2023 and ending on March 2031. Out of the 32 unequal quarterly instalments, 12 & 8 instalments have been repaid up to 31.03.2026 & 31.03.2025. Part disbursement of the above loan to the tune of ₹ 7.91 Crore in FY 26-27, is payable in 24 unequal quarterly instalments commencing from June 2025 and ending on March 2031. Out of 24 unequal Quarterly instalments 04 instalments have been repaid up to 31.03.2026

Note 15 : LEASE LIABILITIES

A. Carrying amount of lease liabilities and the movement during the year:-

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Balance at the beginning of the year	38.25	-
Acquired through business combination	-	37.67
Adjustment during the year	(0.25)	-
Interest accrued	3.26	2.00
Principal payment of lease liabilities	(4.49)	(1.42)
Balance at the end of the year	36.77	38.25

B. Breakup of lease liabilities:-

	As at 31st March 2026	As at 31st March 2025
Current	2.99	4.57
Non-current	33.78	33.68
Balance at the end of the year	36.77	38.25

C. Lease expenses recognized in Statement of Profit and Loss:-

	As at 31st March 2026	As at 31st March 2025
Depreciation expenses on ROU	0.98	0.75
Interest expense on lease liabilities	3.26	2.00
Expenses relating to short term leases and low-value assets (included in other expenses)	5.33	3.36
	9.57	6.11

The effective interest rate for lease liabilities is 9% with balance maturity of 85 year

The Company had total cash outflow for leases of ₹9.82 Crore in 31st March 2026 (₹4.78 Crore in 31st March 2025) on account of expenses.

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Note 16: NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - OTHER FINANCIAL LIABILITIES

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Security Deposit		
Deposits from Vendors	38.48	23.50
Power Obligation	38.57	24.64
	77.05	48.14

Note 17: PROVISIONS

	As at 31st March 2026	As at 31st March 2025
(a) Provision for employee benefits		
Provision for Leave encashment & Gratuity	17.17	16.72
(b) Others		
Mines restoration/Mega power policy/ Ash disposal cost	255.82	237.39
	272.99	254.11

Movement of Other provision during the year

	As at 31st March 2026	As at 31st March 2025
Opening balance	237.39	27.67
Addition on account of business combination	-	210.05
Addition during the year	20.77	7.71
Unwinding of Interest	0.09	-
Discharge of provision during the year	(0.11)	-
Utilization/ reversal of provision during the year	(2.32)	(8.04)
Closing balance	255.82	237.39

Note 18 : DEFERRED TAX LIABILITIES / (ASSETS) (NET)

	As at 31st March 2026	As at 31st March 2025
Deferred tax liability / (assets) at the beginning of the year	21.97	104.80
Deferred tax liability / (assets) during the year on account of timing difference & unabsorbed depreciation	368.58	(82.83)
Deferred Tax Liabilities/(Assets) at the end of the year	390.55	21.97

Note 19 : OTHER NON CURRENT LIABILITIES

	As at 31st March 2026	As at 31st March 2025
Capital Subsidy	4.10	4.20
	4.10	4.20

Notes to Consolidated financial statements

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Note 20 : CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Secured		
From Banks (Secured)		
Working capital loans (repayable on demand)	45.69	112.14
Working capital Buyers Credit loans	160.82	111.22
	206.51	223.36
Current maturities of long-term borrowings (Secured)	228.70	231.68
Other loans and advances (Unsecured)		
Loans from Other Parties	1.58	1.27
Loans from Related Parties	23.93	24.55
	25.51	25.82
	460.72	480.86

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 pari-passu charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur and at Urkura Raipur. FDOD loans are secured by fixed deposits.

Sarda Metals & Alloys Limited

- Working capital loans are payable on demand, Buyers Credit are payable on specific dates & no fixed date for repayment of loan from Holding Company.
- Working Capital Facilities are secured by first pari-passu charge on Current Assets and second pari-passu charge on all Fixed Assets. These facilities are also secured by personal guarantee of Director, Mr.K.K.Sarda to the extent of ₹254.30 Crore.
- 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, HDFC Bank Limited, ICICI Bank Limited and Yes Bank Limited.
- The rate of interest on Working Capital Loan (PCFC) is 3.70% to 6.04%.

Note 21 : CURRENT LIABILITIES- FINANCIAL LIABILITIES-TRADE PAYABLES

	As at 31st March 2026	As at 31st March 2025
Total outstanding dues of Micro Enterprises & Small Enterprises	13.56	4.24
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	158.41	190.15
	171.97	194.39

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Trade Payable Ageing schedule for the year ended -

(₹ in Crore)

As at 31st March 2026	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	13.13	-	-	-	-	13.13
Other	148.73	7.31	1.42	0.02	0.93	158.41
Disputed due - MSME	0.43	-	-	-	-	0.43
Disputed due - Other	-	-	-	-	-	-
	162.29	7.31	1.42	0.02	0.93	171.97

As at 31st March 2025	Outstanding for following periods total from transaction date					Total
	Not due / Unbilled	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME	4.04					4.04
Others	144.36	43.29	0.91	0.54	0.79	189.89
Disputed due - MSME	0.20					0.20
Disputed due - Others		0.02	0.06	0.17		0.25
	148.60	43.31	0.97	0.71	0.79	194.38

Note 22: CURRENT LIABILITIES- FINANCIAL LIABILITIES-OTHER FINANCIAL LIABILITIES

	As at 31st March 2026	As at 31st March 2025
(a) Interest accrued but not due on borrowings	5.95	7.03
(b) Deposits from customers	20.26	33.61
(c) Salary & reimbursements	43.34	33.61
(d) Unpaid Dividends	1.01	0.99
(e) Expenses payable	231.93	237.86
	302.49	313.10

Note 23: OTHER CURRENT LIABILITIES

	As at 31st March 2026	As at 31st March 2025
(a) Others -		
Indirect taxes payable	7.09	2.41
(b) Deposit from Employees	3.55	2.59
(c) Advances from customers	21.59	20.23
(d) TDS payables	3.41	3.51
(e) Provision for True up of annual revenue requirement & others	0.41	0.45
	36.05	29.19

Notes to Consolidated financial statements

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Note 24 : PROVISIONS

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Provision for employee benefits		
(a) Provision for gratuity	3.83	3.72
(b) Provision for Leave	1.02	1.13
Others	0.02	0.01
	4.87	4.86

25 REVENUE FROM OPERATIONS

(₹ in Crore)

	2025-26	2024-25
Sale of products		
Sponge Iron	350.73	302.95
Ferro Alloys	1,596.72	1,398.99
Steel Billets	149.47	122.60
Wire Rod / HB Wire	686.87	749.43
Pellet	428.03	467.26
Power	2,421.46	1,432.26
Others	10.48	131.52
Other operating revenues	46.69	37.84
	5,690.45	4,642.85

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

	2025-26	2024-25
Segment Revenue-		
Steel	1,920.89	1,964.33
Ferro Alloys	1,656.36	1,459.16
Power	2,845.71	1,884.03
Unallocated	20.48	24.83
	6,443.44	5,332.35
Less: Inter segment revenue	752.99	689.50
	5,690.45	4,642.85

	2025-26	2024-25
Domestic	4,804.16	3,792.01
Exports	886.29	850.84
	5,690.45	4,642.85

	2025-26	2024-25
Timing of revenue recognition		
At a point in time	5,690.45	4,642.85
	5,690.45	4,642.85

Notes to Consolidated financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	2025-26	2024-25
Assets and liabilities related to contracts with customers-		
Contract balances		
Contract assets (refer note 4)	27.74	27.74
Trade Receivables (refer note 8)	276.16	221.04
Contract Liabilities		
Power obligation (refer note no 15)	38.57	24.64
Advance from customers (refer note no 23)	21.59	20.23

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.

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.

26 OTHER INCOME

	2025-26	2024-25
Interest Income	104.94	100.29
Corporate Guarantee Commission	0.33	0.41
Dividend Income		
From Others	14.72	5.26
Net gain on sale of investments	50.30	22.22
Fair value gain on Financial Instruments at FVTPL	43.05	3.42
Other non-operating income (net of expenses directly attributable to such income)	23.75	40.80
	237.09	172.40

27 COST OF RAW MATERIAL CONSUMED

	2025-26	2024-25
Iron Ore	770.20	757.06
Mn Ore	547.99	519.44
Coal	1,277.83	1,046.90
Scrap	117.07	114.57
Other Material	69.77	57.43
	2,782.86	2,495.40

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

(₹ in Crore)

	2025-26	2024-25
Inventories at the end of the year		
Finished Goods / Semi-finished goods (includes stock in transit of ₹1.75 crore (P.Y. ₹20.73 crore))	235.66	225.54
Trading Goods	1.70	0.02
	237.36	225.56
Inventories at the beginning of the year		
Finished Goods / Semi-finished goods	225.54	199.01
Trading Goods	0.02	0.02
	225.56	199.03
(Increase)/Decrease in Inventories	(11.80)	(26.53)

Corporate Overview

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29 EMPLOYEE BENEFITS EXPENSE

	2025-26	2024-25
Salaries, incentives & Managerial Remuneration	195.67	158.33
Contributions to -		
Provident fund	10.18	8.62
Superannuation scheme	0.37	0.38
Gratuity fund	9.03	3.80
Staff welfare expenses	6.26	5.02
	221.51	176.15

30 FINANCE COSTS

	2025-26	2024-25
Interest expense	219.41	202.73
Interest on Lease Liabilities	3.26	2.00
Other borrowing costs	16.91	14.21
Amortization of ancillary borrowing costs	0.43	0.48
Exchange difference to the extent considered as an adjustment to borrowing costs	4.45	0.78
	244.46	220.20

31 OTHER EXPENSES

	2025-26	2024-25
Stores & Spares Consumption	161.82	146.08
Power	59.03	54.03
Manufacturing Expenses-		
Plant process & services	50.22	38.16
Material handling Expenses	111.66	74.87
Other Manufacturing Expenses	2.26	0.69
Repairs & Maintenance		
Building	4.34	2.79

Notes to Consolidated financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	2025-26	2024-25
Plant & Machinery	54.61	38.60
Others	21.81	16.06
Rent	6.64	4.60
Rates & Taxes	83.64	45.65
Insurance Charges	17.03	14.43
Travelling & Conveyance expenses	14.86	12.84
Legal & Professional Expenses	28.13	41.71
Free Power Obligation	28.45	25.48
Corporate Social Responsibility	14.47	17.59
Administrative and other Expenses	26.02	37.63
Cost of Sales of Real Estate Project	1.88	2.84
Selling Expenses		
Carriage Outward/Transmission Charges	53.60	80.51
Selling Commission & Brokerage	4.72	5.33
Other Selling Expenses	17.48	7.05
Exchange differences (net)	(0.14)	(10.97)
Payment to Auditors	1.00	0.74
	763.52	656.71

32 OTHER COMPREHENSIVE INCOME

	2025-26	2024-25
(i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(6.94)	(1.75)
Share of other comprehensive income of associates & joint venture companies accounted for using Equity Method Accounting	0.72	(1.07)
Income Tax relating to above item	(0.37)	(5.10)
	(6.59)	(7.92)

33 EARNINGS PER SHARE (EPS)

	2025-26	2024-25
Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Crore)	1,105.86	699.82
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	31.38	19.86
Diluted	31.38	19.86

Notes to Consolidated financial statements

For financial year ended 31st March 2026

34. SEGMENT REPORTING

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

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

Business Segment Primary

(₹ in Crore)

	2025-26				2024-25			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	1,656.57	1,636.00	2,377.40	5,669.97	1,767.80	1,441.26	1,408.96	4,618.02
Inter segment sales	264.32	20.36	468.31	752.99	196.53	17.90	475.07	689.50
Others Unallocated				20.48				24.83
Less: Inter segment sales	264.32	20.36	468.31	752.99	196.53	17.90	475.07	689.50
Total Revenue	1,656.57	1,636.00	2,377.40	5,690.45	1,767.80	1,441.26	1,408.96	4,642.85
Result								
Segment Result	318.10	263.34	1,095.02	1,676.46	390.61	212.42	536.55	1,139.58
Unallocated Expenses net off unallocated income				17.35				(12.60)
Operating Profit				1,693.81				1,126.98
Interest & Forex Fluctuation Loss (Net)				(244.32)				(209.22)
Profit Before Tax				1,449.49				917.76
Provision for taxation								
For Current Year				(18.07)				(10.70)
For Deferred Taxation				(368.12)				(225.87)
Profit After Taxation				1,063.30				681.19
Other Information								
Segment Assets	1,241.44	900.70	6,470.21	8,612.35	992.89	858.87	6,650.80	8,502.56
Unallocated Assets				2,725.35				1,589.02
Total Assets				11,337.70				10,091.58
Segment Liabilities	143.20	370.94	2,972.92	3,487.06	151.69	244.25	3,101.02	3,496.96
Unallocated Liabilities				407.35				235.35
Total Liabilities				3,894.41				3,732.31
Capital Expenditure	80.06	44.58	180.92	305.56	95.62	22.56	3,399.34	3,517.54
Depreciation / Amortisation	44.16	28.42	260.76	333.34	42.52	24.49	196.97	263.98
Unallocated Capital Expenditure / Depreciation				16.64				77.74

Note:

- 1) Revenue from operations comprises 31% (P.Y. 19%) from one of its major customer from power segment.
- 2) No operating segments have been aggregated to from the above reportable operating segments.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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 (%)	
		2026	2025
Sarda Energy & Minerals Hong Kong Limited	Hong Kong	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 Renewable Energy Limited (formerly known as 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 Private Limited (formerly known as 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 (%)	
		2026	2025
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	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 (%)	
		2026	2025
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 2026

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) Madanpur South Coal Company Limited (Joint Venture) Bartunga Coal Private Limited (Joint Venture) Nirjhar Commodities Private Limited (Associate of WOS) P T Tigadaya Minergy (Associate of Overseas WOS)
2	Related Enterprises where significant influence exist	Chhattisgarh Investments Limited Geschaft Formulae India Private Limited Rishabh Mining and Transport Company Private Limited Sarda Dairy & Food Products Limited Earthstahl & Alloys Limited Chhattisgarh Metaliks and Alloys Private Limited Raipur Mega Food Park Private Limited Continental Jweltech Mining Private Limited Kashmirilal Constructions Private Limited Vikas Associates R. R. Sarda & Co
3	Key Management Personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mr. Padam Kumar Jain (WTD & CFO) Mr. Amal Kumar Debnath Mr. Binoy Parikh Mr. Rajeev Sharma Ms. Tripti Sinha Mr. Upendra Prasad Singh Mr. Anant Sarda Mr. Manish Sethi (CS)
4	Relatives of KMP's/ Promoter Group	Mr. Ghanshyam Sarda Mr. Raghav Sarda Mrs. Vipula Sarda 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 2026, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31st March 2025: ₹ 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 Consolidated financial statements

For financial year ended 31st March 2026

b) Material Transactions with Related Parties

(₹ in Crore)

	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration	-	-	12.40	-
	-	-	(11.38)	(0.66)
Rent Paid	-	2.75	0.02	0.17
	-	(2.57)	-	(0.16)
Loans Given	-	1,459.08	-	-
	-	(2,165.18)	-	-
Loans Received Back	-	1,365.12	-	-
	-	(2,265.79)	-	-
Loans Taken	-	-	-	-
	(25.17)	-	-	-
Loan Repaid	1.98	-	-	-
	(2.08)	-	-	-
Dividend Income	4.05	-	-	-
	-	-	-	-
Interest Income	-	27.87	-	-
	-	(30.26)	-	-
Interest Expenses	1.96	-	-	-
	(1.61)	-	-	-
Sale of Goods	-	0.61	-	-
	-	(0.66)	-	-
Purchase of Goods	-	0.76	-	-
	-	(1.00)	-	-
Services Received	-	1.56	-	-
	-	(2.18)	-	-
Services Rendered	0.04	-	-	-
	(0.04)	-	-	-
Corporate Guarantee Commission	0.41	-	-	-
	(0.48)	-	-	-
Corporate Guarantee Given	-	-	-	-
	(40.75)	-	-	-
Commission Paid	-	-	22.19	-
	-	-	(16.59)	-
Land Purchase	-	-	-	-
	-	(1.20)	-	(15.02)
Share Profit From Associates	16.53	-	-	-
	(19.61)	-	-	-

Notes to Consolidated financial statements

For financial year ended 31st March 2026

(₹ in Crore)

	Joint Ventures/ Associates	Related Enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Investment made	- (26.80)	- (2.04)	-	-
Investment Reduced	51.07 -	34.83 -	-	-
Outstanding as on 31st March 2026				
Receivables	- -	6.43 (5.70)	-	-
Loans Receivable	- -	421.93 (300.36)	-	-
Loans Payable	24.33 (24.55)	- -	-	-
Payables	- -	0.28 (1.06)	22.61 (16.91)	0.16 (0.17)
Guarantee Outstanding	40.75 (40.75)	- -	-	-

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

a) Current tax expense

	As at 31st March 2026	As at 31st March 2025
Current year	18.07	10.82
Adjustment for prior periods	-	(0.12)
Deferred tax expense		
Origination and reversal of temporary differences	368.12	225.87
Total income tax expense	386.19	236.57

ii) Income tax recognized in OCI

	As at 31st March 2026	As at 31st March 2025
That will not be reclassified to profit or loss	(0.37)	(5.10)
Total income tax expense relating to OCI items	(0.37)	(5.10)

Notes to Consolidated financial statements

For financial year ended 31st March 2026

b) Reconciliation of tax expense and accounting profit

(₹ In Crore)

	As at 31st March 2026	As at 31st March 2025
Accounting profit before tax from continuing operations	1,449.49	917.76
Accounting profit before tax	1,449.49	917.76
Expected Tax Rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year 25.17%)	364.81	230.98
Adjustments in respect of current income tax of previous years	-	(0.12)
Exempted Income not considered for tax purpose	(11.03)	(7.36)
Expense Allowable for tax purpose	(202.22)	(83.69)
Expense not allowed for tax purpose	82.56	61.59
Income considered for tax purpose other than PGBP	36.58	26.71
Utilization of previously unrecognized tax losses/unabsorbed depreciation on account of business combination	-	(206.02)
Utilization of previously recognized tax losses/unabsorbed depreciation	(276.88)	(7.07)
Effect of different tax rates	33.35	5.10
Effect of different overseas rates	(5.10)	(11.06)
Income Taxable at special rate of tax	-	0.03
Difference In Tax Due To MAT	(4.00)	1.60
Other temporary differences	368.12	225.88
Effective income tax rate	26.64%	25.78%
Income tax reported before Adjustment	386.19	236.57
Income tax reported in the statement of profit and loss	386.19	236.57
	386.19	236.57

c) Reconciliation of deferred tax assets/ Liabilities

Deferred tax relates to the following:

	As at 31st March 2026	As at 31st March 2025
Opening balance as at 1st April	21.97	104.80
DTL/(DTA) due to accelerated depreciation for tax purposes	38.71	11.44
DTL/(DTA) due to expenses allowed on payment basis	14.74	0.19
DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation on business combination	269.29	206.02
DTL/(DTA) impact due to unrecognized tax losses/unabsorbed depreciation	(5.12)	0.87
DTL/(DTA) impact on indexation of land	-	15.52
DTL/(DTA) impact on net movement , Valuation & others	46.98	(0.88)
DTL/(DTA) impact on MAT credit adjusted	3.98	(3.04)
DTL/(DTA) on account of business combination	-	(312.95)
	368.58	(82.83)
Closing balance as at 31st March	390.55	21.97

Notes to Consolidated financial statements

For financial year ended 31st March 2026

(₹ in Crore)

39. CONTINGENT LIABILITIES AND COMMITMENTS

(A) Contingent Liabilities and Claims against the company

	As at 31st March 2026	As at 31st March 2025
Disputed Tax matters and claims:		
(a) Excise Duty, Customs, Service Tax and Goods & Service Tax	16.19	11.03
(b) Sales Tax, VAT and Entry Tax	12.68	15.94
(C) Income Tax	70.46	29.30
Others Taxes, claims and Litigations:		
Levies-Relating to Energy Development Cess	127.07	93.33
Electricity Duty	11.27	11.27
Relinquishment Charges of 156 MW LTA for Kolam Power Plant	23.16	23.16
RPRO Obligation	9.49	9.49
Claims by suppliers, Government and other parties	52.55	35.56
	322.87	229.08

(1) Disputed Tax matters and claims:

Sarda Energy & Minerals Limited

Refer note no. 37 of Standalone financial statement.

Sarda Metals & 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

Notes to Consolidated financial statements

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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 Renewable Energy Limited (Formerly known as Sarda Energy Limited)

Contingent liabilities not provided for amount to ₹24.98 Lakh (PY: ₹24.98 Lakh) for AY 2014-15 & 2015-16, ₹57.77 Lakh (PY: ₹25.16 Lakh) for AY 2017-18 and ₹1,881.04 Lakh (PY: ₹1,310.88 Lakh) for AY 2016-17 relating to income tax matters under Sections 147 r.w.s. 144B of the Income Tax Act, 1961. Appeals filed before CIT(A) are pending disposal.

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.

Chhattisgarh Hydro Power LLP

Demand for ₹ 3.15 Crore (PY: ₹ 3.15 Crore) & ₹ 2.86 Crore has been raised by the Income Tax Department for disallowance of deduction claimed u/s 80IA for AY 2022-23 & AY 2024-25. The company has contested the demand.

Parvatiya Power Limited

Disputed income tax liability of ₹0.63 Lakh (PY: ₹0.63 Lakh) is under rectification proceedings before the Assessing Officer. Further, TDS default of ₹0.24 Lakh (PY: ₹0.88 Lakh) appearing on the TRACES portal is proposed to be resolved upon updation/linking of PAN with Aadhaar.

Madanpur South Coal Company Limited

Disputed income tax liability of ₹41.28 Lakh (PY: ₹41.28 Lakh) is under appeal before the appropriate appellate authority.

Sarda Hydro Power Private Limited (Formerly known as 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 related to FY 2014-15, However, the Company has contested the demand before CIT (Appeal). The Management doesn't foresee any liability at this stage.

(2). Others Taxes, claims and Litigations:

Sarda Energy & Minerals Limited

Refer note no. 37 of Standalone financial statement.

Sarda Metals & 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 company has sought legal opinion from experts and has been advised that the same is not applicable to the company and hence no liability provided.

The company has received a demand notice from Hon'ble APERC for ₹ 16.47 Crore towards failure to meet RPP0 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 RPP0 % 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 RPP0 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

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For financial year ended 31st March 2026

the Petition with the Hon'ble APERC for capping the RPP0 obligation in accordance with the MOP's clarificatory orders and also allow carry forward of RPP0 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 obligated entities have been permitted such carry forward of RPP0 obligations, and various state commissions have also taken cognisance of MoP clarificatory orders and have capped the RPP0 obligations of the CPPs commissioned prior to April 2016 at the level of RPP0 obligation for FY 2015-16.

The Company has provided First Loan Default Guarantee (FLDG) to Axis Bank and ICICI Bank amounting to ₹5 crore and ₹7.5 crore, respectively, towards dealer/customer channel finance arrangements. The outstanding dealer finance under the respective programs stood at ₹0.45 crore and ₹0.72 crore as at year end.

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 Access for transmission of power from 113 MW RHEP and Long Term Access has been granted to it w.e.f 31st January 2021. As such the period (12 years) for which the capacity of transmission line will remain 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 31st March 2026	As at 31st March 2025
(i) Guarantees issued by the Group's Banker	552.18	651.54
(ii) Corporate Guarantees/Undertakings issued to lenders of third parties	42.36	58.01
	594.54	709.55

(C) Commitments

	As at 31st March 2026	As at 31st March 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	43.72	87.85
	43.72	87.85

40. CONTINGENT ASSETS:

Sarda Energy & Minerals Limited

Refer note no. 38 of Standalone financial statement.

Sarda Metals & Alloys Limited

During FY 2025-26, the Company received sanction for Power Cost Incentive reimbursement of ₹42.76 Crore under the Andhra Pradesh IIPP 2010-2015 scheme for FY 2016-17 and FY 2017-18. Out of the sanctioned amount, ₹10.24 Crore was received during the year and recognized as an exceptional item in the Statement of Profit and Loss. The balance amount of ₹32.51 Crore is receivable subject to release of funds by the Government of Andhra Pradesh.

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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 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 deposits

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 and company's assessment, loss on collection of dues has been 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:

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For financial year ended 31st March 2026

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Trade receivables	276.16	221.04
Loans and Deposits	610.47	555.22
Bank, cash and cash equivalents	864.48	608.24

Impairment losses

	As at 31st March 2026	As at 31st March 2025
Trade receivables (measured under life time expected credit loss model)		
Opening balance	110.41	3.63
Addition on account of business combination	-	97.31
Provided/ (reversal) during the year	(3.34)	9.47
Written off during the year	(68.77)	-
Closing balance	38.30	110.41

Impairment losses

	As at 31st March 2026	As at 31st March 2025
Loans and deposits		
Opening balance	50.12	-
Addition on account of business combination	-	50.12
Provided/ (reversal) during the year	(0.01)	-
Closing balance	50.11	50.12

Ageing analysis*

	As at 31st March 2026	As at 31st March 2025
Trade receivable		
Upto 3 months	264.61	216.37
3-6 months	11.91	4.32
More than 6 months	37.95	110.75
	314.47	331.44

*Gross trade receivables i.e. not including provision for doubtful debts/impairment

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

Liquidity risk

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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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 2026	As at 31st March 2025
Cash Credit facility	201.75	156.61
Current investments	1,515.26	649.02

Maturities of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments

As at 31st March 2026	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	460.72	1,212.98	921.45	2,595.15
Lease Liabilities	2.99	14.97	330.27	348.23
Trade payables	169.49	2.47	-	171.96
Security deposits	20.26	38.48	-	58.74
Other financial liabilities	282.24	38.57	-	320.81
	935.70	1,307.47	1,251.72	3,494.89

As at 31st 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	254.84	24.64	-	279.48
	965.79	1,498.31	1,242.48	3,706.58

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 Group. The Group is exposed to long term and short-term borrowings, Commercial Paper Program. The Group 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 2026	As at 31st March 2025
Variable rate borrowings	2,324.69	2,822.79
Fixed rate borrowings	270.46	24.55

Notes to Consolidated financial statements

For financial year ended 31st March 2026

b) Sensitivity analysis

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

(₹ in Crore)

	Impact on profit after tax	
	2025-26	2025-24
Interest rates - increase by 70 basis points	(13.80)	(18.82)
Interest rates - decrease by 70 basis points	13.80	18.82

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	2025-26	2024-25
Bank Loans	USD	(0.00)	(0.03)
Trade & Other Payables	USD	(0.00)	(0.13)
Trade & Other Payables	AED	(0.00)	(0.50)
Investment held for Trading	USD	2.72	2.03
	AED	0.75	1.26
Investment in associate	USD	0.56	0.61
Trade & Other Receivables	USD	0.05	0.28
	AED	0.13	0.02
Cash & Cash Equivalents	USD	0.42	0.39
	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	
	2025-26	2025-24
Foreign exchange rates - increase by 1%	0.04	0.03
Foreign exchange rates - decrease by 1%	(0.04)	(0.03)

Price Risk

The Group is exposed to equity price risk, which arises out from FVTPL quoted equity shares & mutual funds and FVTOCI unquoted equity shares. The management monitors the proportion of equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the management. The primary goal of the entity's investment strategy is to maximize investments returns.

Sensitivity Analysis for Price Risk

Equity Investments carried at FVTOCI are not listed on the stock exchange. For equity investments and mutual funds classified as at FVTPL, the impact of a 2% increase in the index at the reporting date on profit & loss would have been an increase of ₹ 29.61 Crore (2024-25: ₹ 12.40 Crore); an equal change in the opposite direction would have decreased profit and loss. For equity investments classified as at FVTOCI, the impact of a 2% increase in the index at the reporting date on profit & loss would have been an increase of ₹ 0.18 Crore (2024-25): ₹ 1.01 Crore); an equal change in the opposite direction would have decreased profit and loss.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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.

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 including lease liability net of cash and cash equivalents) divided by total equity.

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Total liabilities	2,631.93	2,861.04
Less : Cash and cash equivalent	107.58	57.82
Net debt	2,524.35	2,803.22
Total equity	7,513.07	6,430.52
Net Debt to Equity ratio	0.34	0.44

The Group 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

31st March, 2026	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	864.49	864.49	-	-	-	-
Non-current investments								
Unquoted Equity Investments	-	9.78	95.18	104.96	-	-	9.78	9.78
Quoted Mutual Funds	25.22	-	-	25.22	25.22	-	-	25.22
Current investments								
Quoted Investments	1,224.32	-	-	1,224.32	1,224.32	-	-	1,224.32
Investments held for trading	290.94	-	-	290.94	-	290.94	-	290.94
Loans & other financial assets	-	-	610.47	610.47	-	-	-	-
Trade receivables	-	-	276.16	276.16	-	-	-	-
	1,540.48	9.78	1,846.30	3,396.56	1,249.54	290.94	9.78	1,550.26

Notes to Consolidated financial statements

For financial year ended 31st March 2026

(₹ in Crore)

31st March, 2026	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial liabilities								
Long term borrowings	-	-	2,134.43	2,134.43	-	-	-	-
Short term borrowings	-	-	460.72	460.72	-	-	-	-
Lease Liabilities	-	-	36.77	36.77	-	-	-	-
Trade payables	-	-	171.97	171.97	-	-	-	-
Other financial liabilities	-	-	379.54	379.54	-	-	-	-
	-	-	3,183.43	3,183.43	-	-	-	-

31st March, 2025	Carrying amount				Fair Value			
	FVTPL	FVTOCI	Amortized Cost*	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Bank, cash and cash equivalents	-	-	608.23	608.23	-	-	-	-
Non-current investments								
Unquoted Equity Investments	-	50.64	92.31	142.95	-	-	50.64	50.64
Quoted Mutual Funds	-	-	-	-	-	-	-	-
Current investments								
Quoted Investments	446.62	-	-	446.62	446.62	-	-	446.62
Investments held for trading	202.40	-	-	202.40	-	202.40	-	202.40
Loans & other financial assets	-	-	555.22	555.22	-	-	-	-
Trade receivables	-	-	221.04	221.04	-	-	-	-
	649.02	50.64	1,476.80	2,176.46	446.62	202.40	50.64	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	-	-	361.24	361.24	-	-	-	-
	-	-	3,416.68	3,416.68	-	-	-	-

* The carrying value and the fair value approximates.

B. Measurement of fair values

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

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

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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.

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 With effect from November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. The Ministry of Labour & Employment notified Central Rules on 8th May 2026 however State Rules are yet to be notified. The Group has estimated and recorded past service cost based on the best available information and in consultation with external experts which is not material.

Notes to Consolidated financial statements

For financial year ended 31st March 2026

52 Business Combination

During previous year, 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').

- 53.** Exceptional items of ₹ 10.24 Crore (P.Y. ₹ 0.36 Crore), represents on account of power cost incentive received for earlier years in SMAL during the year. As regard to exceptional items of previous year, it represents on account of damage to the low-pressure pipeline in PPL due to land slide.

54. Distribution made and proposed:

(₹ in Crore)

	As at 31st March 2026	As at 31st March 2025
Dividends on equity shares declared and paid:		
Final dividend paid during the year ended on 31st March 2026: ₹ 1.50 per share (31st March 2025: ₹ 1.00 per share)	52.86	35.24
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31st March 2026: ₹ 2.00 per share (31st March 2025: ₹ 1.50 per share)	70.48	52.86

- 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

SANJAY KUMAR DEWANGAN

Partner

Membership No. 409524

Raipur

Dated: May 23, 2026

K. K. SARDA

Chairman

DIN: 00008170

P. K. JAIN

Wholetime Director & CFO

DIN: 00008379

MANISH SETHI

Company Secretary

ACS 18069

For and on behalf of the Board

Notes to Consolidated financial statements

For financial year ended 31st March 2026

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associate/ Joint Ventures. (₹ in Crore)

	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	72.43	5,415.18	79.66	883.74	25.92	(1.71)	79.98	882.04
Subsidiary								
Indian								
SMAL - Sarda Metals & Alloys Limited	6.13	458.31	4.97	55.19	(9.85)	0.65	5.06	55.84
SREL - Sarda Renewable Energy Limited (Formerly known as Sarda Energy Limited)	2.17	162.50	1.22	13.53	-	-	1.23	13.53
CHPPL - Chhattisgarh Hydro Power LLP	4.00	298.84	5.49	60.89	(0.30)	0.02	5.52	60.91
MBPCL - Madhya Bharat Power Corporation Limited	7.77	581.19	1.67	18.56	(2.42)	0.16	1.70	18.72
PPL - Parvatiya Power Limited	0.47	34.91	0.02	0.18	49.95	(3.29)	(0.28)	(3.11)
SHPPL - Sarda Hydro Power Private Limited (Formerly known as Sarda Hydro Power LLP)	0.01	0.41	-	(0.03)	-	-	-	(0.03)
SRE LLP - Shri Ram Electricity LLP	0.03	2.23	0.01	0.07	-	-	0.01	0.07
NREPL - Natural Resources Energy Private Limited	(0.01)	(0.92)	-	-	-	-	-	-
KCMPL - Kalyani Coal Mining Private Limited	0.37	27.59	0.14	1.59	-	-	0.14	1.59
Foreign								
SEMHKL - Sarda Energy & Minerals Hongkong Limited	3.71	277.07	2.19	24.35	-	-	2.21	24.35
SGV - Sarda Global Venture Pte. Limited	1.20	89.93	(0.16)	(1.82)	-	-	(0.17)	(1.82)
SGT-Sarda Global Trading DMCC	0.30	22.78	0.31	3.48	-	-	0.32	3.48
Joint Venture-Indian								
RICL- Raipur Infrastructure Company Limited	-	-	0.02	0.19	3.44	(0.23)	-	(0.04)
MSCCL- Madanpur South Coal Company Limited	-	-	0.01	0.07	-	-	0.01	0.07
BCPL - Bartunga Coal Private Limited	-	-	0.13	1.46	-	-	0.13	1.46
Associates - Indian								
Nirjhar Commodities Private Limited	-	-	0.01	0.15	-	-	0.01	0.15
Associates - Foreign								
PT. Tigadaya Minergy	-	-	3.99	44.27	(14.30)	0.94	4.10	45.21
Minority Interest in all subsidiaries	1.42	106.28	0.32	3.57	47.56	(3.13)	0.03	0.43
	100.00	7,476.30	100.00	1,109.44	100.00	(6.59)	100.00	1,102.85

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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 31.03.2026

(₹ in Crore)

S.No.	Particulars/Name of the Subsidiary Company	SEMHKL	SGV	SGT	SMAL	CHP LLP	PPL	MBPCL	SREL	SRE LLP	SHPPPL	KCMPL	NREPL
		Hongkong	Singapore	Dubai	India	India	India	India	India	India	India	India	India
1	Financial year of the Subsidiary Company/LLP ended on	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026	31.03.2026
2	Date from which it became Subsidiary Company/LLP	17th September 2007	12th June, 2008	06th March, 2018	15th June, 2009	31st March, 2010	31st March, 2010	31st March, 2010	31st March, 2010	1st March, 2011	21st September 2010	2nd May 2023	10th February 2015
3	Capital	0.56	28.30	10.99	2102	298.80	1.54	243.44	1.00	1.70	0.51	24.80	0.01
4	Reserves & Surplus	276.50	61.63	11.79	437.30	0.04	33.37	337.75	161.50	0.53	(0.10)	2.79	(0.93)
5	Total Assets	280.27	90.00	22.56	1,015.57	569.50	46.96	1,542.63	162.56	2.90	8.23	27.88	3.57
6	Total Equity	277.06	89.93	22.78	458.31	298.84	34.91	581.19	162.50	2.23	0.41	27.59	(0.92)
7	Investments	257.93	14.04	18.96	-	-	9.61	79.96	146.75	-	-	-	-
8	Turnover	28.21	0.70	3.45	1,077.10	129.98	7.84	248.05	17.47	0.21	-	2.12	-
9	Profit before Taxation	26.92	42.44	2.40	86.29	90.65	0.89	30.56	13.53	0.18	(0.04)	1.84	(0.01)
10	Provision for Taxation	2.57	-	(1.08)	31.10	29.75	0.54	8.63	-	0.05	-	0.25	-
11	Profit After Taxation	24.35	42.44	3.48	55.19	60.90	0.35	21.93	13.53	0.13	(0.04)	1.59	(0.01)
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 31.03.2026, i.e. 1US\$ = ₹ 94.85 [SGV and SEMHKL] and 1AED = ₹ 25.30 [SGT]

Notes to Consolidated financial statements

For financial year ended 31st March 2026

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 SREL - Sarda Renewable Energy Limited (Formerly known as Sarda Energy Limited)
- 6 CHP LLP - Chhattisgarh Hydro Power LLP
- 7 MBPCL - Madhya Bharat Power Corporation Limited
- 8 PPL - Parvatiya Power Limited
- 9 SHPPL- Sarda Hydro Power Private Limited (Formerly known as 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 2026

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 31.03.2026

(₹ in Crore)

Sl. No.	Particulars/Name of the Associates	PT. Tigadaya Minergy, Indonesia	Nirjhar Commodities Private Limited, India
1	Financial year of the Associates ended on	31st March, 2026	31st March, 2026
2	Share of associates held by the company on the year end		
	No.	52,733	4,900
	Amount of Investment	53.50	0.19
	Extend of Holding %	49.00%	49.00%
3	Networth	57.17	(0.38)
4	Profit/(Loss) for the year		
	i. Considered in Consolidation	44.27	0.15
	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 31.03.2026

Sl. No.	Particulars/Name of the Associates	BCPL India	RICL India	MSCCL India
1	Financial year of the Joint Ventures ended on	31st March, 2026	31st March, 2026	31st March, 2026
2	Share of Joint Ventrues held by the company on the year end			
	No.	26,800,000	130,800	130,742
	Amount of Investment	29.25	2.41	5.78
	Extend of Holding %	67.00%	33.33%	20.63%
3	Networth	43.66	7.23	6.31
4	Profit/(Loss) for the year			
	i. Considered in Consolidation	1.46	(0.04)	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
Chairman
DIN: 00008170

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

MANISH SETHI
Company Secretary
ACS 18069

Raipur
Dated: May 23, 2026

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