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CIN - L27100MH1973PLC016617

ISO 9001:2008 Certified



3rd September, 2015

BSE Ltd
The Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street – Mumbai 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400051
Fax. No: 022-26598237/38,
022-26598347/48

Security Code No. : 504614

Symbol: **SARDAEN**

Series : **EQ**

Dear Sir,

Sub: Submission of Annual Report for the year 2014-15

Pursuant to Clause 31 of the Listing Agreement, please find attached

1. the Annual Report of the Company for the year 2014-15, containing, inter alia, the Notice of the 42nd AGM to be held on 28th September, 2015.
2. E-voting instructions, as sent to the shareholders
3. Form-A, duly signed by CMD, CFO, Chairman – Audit Committee and Statutory Auditors of the Company.

Further, please also note that the above documents are being filed through:

- i) <http://listing.bseindia.com> – **with BSE**
- ii) NEAPS - **with NSE**

and the hard copy is not being filed.

You are requested to take these documents on your record.

Thanking you,

Yours faithfully,
For Sarda Energy & Minerals Ltd.


(Manish Sethi)
Company Secretary

Encl.: As above

FORM A

1.	Name of the Company	Sarda Energy & Minerals Ltd.
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified/Matter of emphasis
4.	Frequency of observation	Whether appeared first time - Yes / repetitive - NA / since how long period - NA

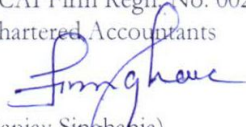
For Sarda Energy & Minerals Ltd.


(K.K. Sarda)
Chairman & Managing Director

For Sarda Energy & Minerals Ltd.


(P.K. Jain)
Chief Financial Officer

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


(Sanjay Singhania)
Partner - M.No. 076961



For Sarda Energy & Minerals Ltd.


(A.K. Basu)
Chairman - Audit Committee



Resilient Resolute Resurgent

ANNUAL REPORT 2014-15





Corporate Office



Wire Rod plant

- 01** Resilient, Resolute, Resurgent
- 02** CMD's Message
- 04** Corporate Information
- 05** Notice
- 11** Directors' Report
- 46** Management Discussion and Analysis
- 59** Corporate Governance Report
- 71** Auditor's Report
- 76** Balance Sheet
- 77** Statement of Profit & Loss
- 78** Cash Flow Statement
- 80** Notes to Financial Statements
- 111** Consolidated Accounts

Resilient

Toughness and the capacity to recover quickly from challenges

Resolute

Determined purposefulness and unwavering focus

Resurgent

Reviving and rising again



We, Sarda Energy & Minerals Limited are in steel business backed by captive power generation utilizing partially waste heat of sponge iron and partially coal.

The Commodity sector is going through adverse cycle, affecting all the players, taxing their abilities and testing their capacity to subsist and sustain these trying times.

With steely RESILIENT, we have remained RESOLUTE and mined deep into our innermost reservoirs of strengths with a RESURGENT confidence to overcome these aberrations.

**RESILIENT
RESOLUTE
RESURGENT**

It is this attitude and approach that differentiates us.

It is this faith and focus that directs us.

It is this strength and single-mindedness that drives us.

Because every ascent can be made and every mountain can be climbed.

CMD's Message



Dear Shareholders,

It is my pleasure to present before you the 42nd Annual Report of your Company and share with you the highlights for the year as well as the outlook for the near and mid-terms.

2014 was indeed a challenging year. The commodity industry across the globe is going through the down cycle, mainly on account of European crisis and slowdown in the Chinese economy resulting into sharp fall in the commodity and energy prices. This had an impact on your Company also. However, your Company has taken various strategic initiatives to face such challenges.

Your Company, over the years, has overcome challenges and roadblocks by being RESILIENT, RESOLUTE, RESURGENT. The Company's integrated business model makes it possible for the end product of one business to be positioned as the raw material of another, creating a self-feeding ecosystem within minimal inventory, costing and logistic issues. This integration has strengthened the Company's insulation from external pricing and supply shocks and enhancing input security.

During the year, the operations at the iron ore mines of the Company resumed after more than five years and the Company started receiving material from its captive iron ore mines.

The financial performance of the Company has to be seen in the backdrop of additional liability of ₹ 107 crore for earlier years on account of additional levy imposed by Hon'ble Supreme Court on the coal extracted. In spite of this the Company has earned a net profit of ₹ 56 crore.

Your Company has always remained conservative. In the recently concluded auction of coal mines your Company participated but keeping in view the associated risks, particularly, due to uncertainties and linking of the premium with the WPI, restricted its bids at the levels, which are commercially sustainable in the long term. Your Company is confident that in the near future, the mines will be available at much lower premium with lesser uncertainties.

It has kept its financial gearing at low level. The long-term loans of ₹ 351 crore are represented by the investments made in subsidiaries. As such, the existing operations and facilities of the Company are practically debt free. The long-term debt to equity ratio is just 0.34 on standalone basis and 0.83 at the consolidated level. The investments made in subsidiaries have just started generating revenue, which is expected to go up substantially over the years and will reflect in the improved performance in the years to come.

Your Company has focused on harnessing of natural resources. It has taken up number of hydropower projects through SPVs totaling more than 200 MW. 1st project of 5 MW

is operating successfully for last seven years. The second project of 24 MW is expected to be commissioned in the next financial year. Another project of 96 MW will come on steam in the financial year 2018-19.

Your Company is holding sizable land bank, the value of which shall be unlocked in future.

Your Company has been awarded the Integrated Management System (IMS) certificate from ABS Quality Evaluations Inc., which comprises of ISO 14001:2004, OHSAS 18001:2007 & ISO 9001:2008. Further, your Company has also received Certificate of Recognition as a Trading House from the Ministry of Commerce and Industry, Government of India.

The outlook for the near and mid-term for your Company remains positive. With the growth rate for the Indian economy forecasted at plus 7 percent, coupled with government's thrust on manufacturing, power and infrastructure sectors, we are confident and convinced that this huge spending will unleash significant growth opportunities for the Company. With our ready and integrated infrastructure with other cost advantages, we are looking optimistically ahead.

I thank you for the faith and trust that you have always shown in the Company.

Yours sincerely,

KAMAL KISHORE SARDA
Chairman and Managing Director



Corporate Information

Board of Directors

Mr. K.K. Sarma Chairman & Managing Director

Mr. Pankaj Sarma Dy. Managing Director

Mr. G.D. Mundra Wholetime Director

Mrs. Uma Sarma

Mr. A.K. Basu

Mr. C.K. Lakshminarayanan

Mr. G.S. Sahni

Mr. Jitender Balakrishnan

Mr. P.R. Tripathi

Mr. Rakesh Mehra

Independent Director

Chief Financial Officer

Mr. P.K. Jain

Company Secretary

Mr. Manish Sethi

Auditors

M/s. O.P. Singhania & Co.

Chartered Accountants

J. D. S. Chambers, 1st Floor,

6-Central Avenue,

Choubey Colony,

Raipur (C.G.)

Bankers

Union Bank of India

Bank of Baroda

UCO Bank

Axis Bank Ltd.

State Bank of India

RBL Bank Ltd.

Registered Office

73-A, Central Avenue,

Nagpur -440 018 (M.H.)

Phone: +91-712-2722407

Fax: +91-712-2722107

Email: nagpur@seml.co.in

Works

Industrial Growth Centre, Siltara

Raipur - 493 111 (C.G.)

Phone: +91-771-2216100

Fax: +91-771-2216198

Email: info@seml.co.in

Corporate Office

125, B-Wing, Mittal Court,

Nariman Point,

Mumbai - 400 021,

Maharashtra, India.

Phone: +91-22-22880080

Fax: +91-22-22826680

Delhi Office

E-585, Ground Floor

Greater Kailash, Part -II

New Delhi - 110 048

Phone: +91-11-32634937

Fax: +91-11-30824411

Visakhapatnam Office

Sarda Metals & Alloys Ltd.

D.No.50-96-4/1, Floor- II & III,

Sri Gowri Nilayam,

Seethammadhara NE,

Visakhapatnam-530013.

Phone: +91-891-2858200

Fax: +91-891-2700864

Hongkong Office

Sarda Energy & Minerals Hong Kong Ltd.

5th Floor, Dah Sing Life Building,

99-105 Des Voeux Road, Central,

Hong Kong.

Singapore Office

Sarda Global Venture Pte Ltd.

17 Phillip Street,

#05-01, Grand Building,

Singapore - 048695

Registrar & Share Transfer Agents

Sharepro Services (India) Pvt. Ltd.

Sam Hita Warehousing Complex,

Warehouse No. 52 & 53, Plot No 13AB,

2nd Floor, Sakinaka,

Mumbai - 400 072.

Phone: +91-22-67720400

Fax: +91-22-67720416

Email: sharepro@shareproservices.com

NOTICE

Notice is hereby given that the 42nd Annual General Meeting of the members of Sarda Energy & Minerals Ltd. will be held on Monday, 28th September, 2015 at 3.00 p.m. at Hotel Pride, Opp. Airport, Wardha Road, Nagpur (M.H.) 440025 to transact the following business:

Ordinary Business

1. To consider and adopt:
 - (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Pankaj Sarda (DIN: 00008190), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. O.P. Singhania, Chartered Accountants (Firm Registration No.002172C), be and are hereby appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

Special Business

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 196, 197, and other applicable provisions if any, of the Companies Act, 2013 (“The Act”) read with Schedule V to the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modifications or enactments thereof from time to time and the Articles of Association of the Company, Mr. Kamal Kishore Sarda (DIN: 00008170) be and is hereby reappointed as Chairman & Managing Director of the Company for a period of five years with effect from 1st April, 2015, not liable to retire by rotation, on such terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors/Nomination & Remuneration Committee to alter and vary the terms and conditions of the said re appointment and/ or remuneration in such manner as may be agreed to by and between the Company and Mr. Kamal Kishore Sarda provided however, such alterations are within the limits approved by the members / laid down in the Companies Act, 2013 for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of section 148 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid a remuneration as set out in the Explanatory Statement annexed to the notice of this Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Sarda Energy & Minerals Ltd.

(Manish Sethi)
Company Secretary

Raipur, 25th July, 2015

Registered Office

Sarda Energy & Minerals Ltd.

CIN: L27100MH1973PLC016617

73-A, Central Avenue,

Nagpur (M.H.) 440018

Ph: +91-712-2722407; Fax: +91-712-2722107

Email: cs@seml.co.in; URL: www.seml.co.in

Notes:-

1. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting. The Company has notified closure of Register of Members and Share Transfer Books from 10th August, 2015 to 14th August, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares for 14-15, if declared at the Meeting.
8. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2006-07, from time to time on due dates to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2014 (date of last Annual General Meeting) on the website of the Company (www.seml.co.in), and also on the website of the Ministry of Corporate Affairs.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Sharepro Services (India) Pvt. Ltd., for consolidation into a single folio.
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Sharepro Services (India) Pvt. Ltd. for any assistance in this regard.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Sharepro Services (India) Pvt. Ltd.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. Members who hold shares in physical form are requested to inform their email-ids to Sharepro Services (India) Pvt. Ltd. the Registrar & Transfer Agent. However, members continue to have the option of receiving all communications in physical form free of cost, if they so elect.
13. The Notice of the AGM along with the Annual Report 2014-15 and e-voting instructions is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
14. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of 21st September, 2015. Any person, who is not a shareholder as on the cut-off date, must treat the receipt of the Notice of Annual General Meeting and other documents only for the purpose of information.
15. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the

Listing Agreement, the Company is providing E-Voting facility to enable the shareholders to cast their votes electronically on the resolutions mentioned in the Notice of the 42nd Annual General Meeting of the Company to be held on Monday, September 28, 2015 and the business may be transacted through e-voting. For this purpose, necessary arrangements have been made with the National Securities Depository Limited ("NSDL") to facilitate e-voting. Necessary e-voting instructions are being sent along with the Annual Report.

16. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
17. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.
18. Mr. S.G. Kankani of S.G. Kankani & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the ballot process and remote e-voting process in a fair and transparent manner.

Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (the "Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 and 6 of the accompanying Notice:

Item No.5

The Board of Directors of the Company in its meeting held on February 5, 2015 re-appointed, subject to the approval of the members in the general meeting, Mr. K.K. Sarda, S/o Late Shri R.K. Sarda as Chairman & Managing Director of the Company for a period of five years w.e.f. 1st April, 2015. Mr. K.K. Sarda is B.E. (Mech.) and has more than 40 years of experience in the steel industry.

The Nomination & Remuneration Committee has approved the following terms and conditions for re-appointment of Mr. K.K. Sarda, which are subject to the approval of the members in the general meeting:

- | | | |
|-------------|---|--|
| Salary | : | Such sum as may be approved by the Nomination & Remuneration Committee/Board of Directors within the scale of ₹ 5,00,000/- to ₹ 15,00,000/- p.m. The increment will be merit based and take into account the Company's performance. |
| Perquisites | : | In addition to the basic salary, Mr. K.K. Sarda will be entitled to such perquisites in such form and manner as the Nomination & Remuneration Committee /Board of Directors of the Company may decide subject to the overall ceiling of 100% of the annual salary, including but not restricted to the following: <ol style="list-style-type: none"> a) Furnished accommodation / House Rent Allowance and/or House Maintenance Allowance with expenditure on gas, electricity, water and furnishings. b) Leave Travel Assistance for self and family c) Medical expenses and medical insurance for self and family d) Personal Accident Insurance e) Club Fees and such other perquisites and allowance in accordance with the Rules of the Company or as may be agreed by the Nomination & Remuneration Committee / Board of Directors. |

For the purpose of calculating the ceiling of 100% as mentioned above, perquisites shall be evaluated as per the Income Tax Rules, 1962, wherever applicable, and in the absence of any such Rules, perquisites shall be evaluated at actual cost.

Provision for use of Company's car and telephone at residence (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites for the purposes of calculating such ceiling.

Company's contribution to Provident Fund and Superannuation or Annuity Fund to the extent these either singly or together are not taxable under the Income Tax Act, 1961, Gratuity payable, and encashment of leave at the end of the tenure shall not be included in the computation of limits for remuneration or perquisites as aforesaid.

Note- 'Family' for the purpose shall mean the spouse, the dependent children and the dependent parents of Mr. K.K. Sarda.

Commission	:	Such sum by way of commission, in addition to salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Nomination & Remuneration Committee /Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in the Companies Act, 2013.
Minimum Remuneration	:	Notwithstanding the above, where in any financial year during the currency of term of office of Mr. K.K. Sarda, the Company has made no profits or its profits are inadequate, the Company shall pay salary and perquisites and allowances (except commission) as specified above to Mr. K.K. Sarda
Compensation for loss of office	:	In the event of loss of office of the Chairman & Managing Director, he shall be paid compensation in the manner and to the extent permissible under the provisions of Section 202 of the Companies Act, 2013.

In terms of the approval accorded by the members, the last basic salary drawn by Mr. K.K. Sarda was fixed by Nomination & Remuneration Committee at rupees six lac per month plus perquisites as per the rules of the Company. Mr. K.K. Sarda was also paid commission of ₹. 2 crore on profits for the year 2014-15.

Except Mr. K.K. Sarda, Mr. Pankaj Sarda and Mrs. Uma Sarda and their relatives, no other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No. 6

The Board, on the recommendation of the Audit Committee, has in its meeting held on May 23, 2015, approved the appointment of M/s. S.N. & Co., Cost & Management Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016 at a remuneration of ₹ 1,50,000/- (Rupee one lac fifty thousand only) plus service tax plus reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought by way of an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company /their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

By Order of the Board
For Sarda Energy & Minerals Ltd.

(Manish Sethi)
Company Secretary

Raipur, 25th July, 2015

Registered Office

Sarda Energy & Minerals Ltd.

CIN: L27100MH1973PLC016617

73-A, Central Avenue,

Nagpur (M.H.) 440018

Ph: +91-712-2722407; Fax: +91-712-2722107

Email: cs@seml.co.in; URL: www.seml.co.in

Directors' Report

Dear Members,

Your directors are pleased to present the 42nd Annual Report on business and operations of your Company for the financial year ended 31st March, 2015.

Financial Performance

(₹ in crore)

Particulars	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Revenue from operations (Gross)	1,517	1,396	1,903	1,720
Less: Excise duty	138	125	143	129
Revenue from operations (Net)	1,379	1,271	1,760	1,591
Exports	175	182	175	182
EBIDTA	335	262	440	375
Depreciation	68	63	93	96
Finance cost (Net)	59	63	121	123
Exceptional item (including additional levy on coal extracted)	126	2	139	2
Profit before tax	83	134	87	154
Provision for tax	27	44	31	47
Provision for tax related to previous year	-	15	-	15
Net Profit	56	75	56	92

Review of performance

The financial year 2014-15 was challenging year due to slowdown in the global economy and resultant sharp fall in the commodity prices. Steel prices fell in the country without corresponding correction in the price of iron ore. The Supreme Court of India cancelled all the coal mine allocations made by the Government since 1993 through Screening Committee or Government dispensation route and also imposed additional levy @ ₹ 295/- per MT on the coal extracted from the mines since inception. The Gare Palma IV/7 coal mine operated by the Company has also been cancelled w.e.f. 1st April, 2015 and the Company had to pay additional levy of ₹ 143 Crore on the coal extracted from the mine. The Company has provided for the full liability, including ₹ 126 crore for earlier years, in the financial year 2014-15, adversely affecting the profitability and liquidity.

Government has started the process of reallocation of the coal mines through auction, which were cancelled due to Supreme Court order. In the first phase 23 operating coal mines were auctioned. Your company participated in the auction and offered a bid price which was comparable to the alternate sources in the longer run. Your Directors believe that operation of the mines at the price at which the auctions were concluded would not have been commercially sustainable. The Company would, however, continue to participate in coal mine auctions.

The pace of economic activity is yet to pick up. RBI continued to follow tight monetary policy with high interest rates to keep check on the inflation. Exports were also hit due to falling prices, relatively strong Rupee and slowdown in other economies.

However, in spite of these constraints and the challenging environment, the performance of your Company was satisfactory. This was achieved through a constant endeavor at all levels for excellence and cost control combined with a series of safety initiatives.

A detailed analysis of the performance is given in the Management Discussion and Analysis Report appended hereto.

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

Dividend

Your Directors have recommended a dividend of ₹ 3/- (i.e. 30%) per equity share (last year ₹ 3/- per equity share) for the financial year ended March 31, 2015. The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

During the year, your Company has transferred the unpaid dividend amount in respect of the F.Y. 2006-07 to the Investor Education and Protection Fund.

During the year, no amount has been transferred to Reserves.

Subsidiaries / Controlled Entities / Joint Ventures

During the year, Natural Resources Energy Pvt. Ltd. became subsidiary of your Company. Further, your Company made fresh investments for acquiring 29.98% in Godawari Natural Resources Limited for participation in the auction of coal mines. A brief on the business operations of subsidiaries /controlled entities / joint ventures consolidated with SEML is given hereunder:

Subsidiaries

- **Sarda Energy & Minerals Hongkong Ltd, Hongkong (SEMHKL)**, is a wholly owned subsidiary, functioning as global investment arm of your Company. During the year under review, the subsidiary reported a net profit of ₹ 10.83 crore as against ₹ 23.76 crore in the previous year. The company paid a dividend of USD 2 Million during the year. Last year also, the Company has paid a dividend of USD 3 Mn.
- **Sarda Global Venture Pte. Ltd. Singapore (SGV)**, a wholly owned subsidiary, has acquired economic interest in coal mines in Indonesia but the mining project has not seen any progress during the year. The company is evaluating the various options for its stake in the coal mine in the best interest of all stake holders.
- **Sarda Metals & Alloys Ltd. (SMAL)**, a wholly owned subsidiary is operating 2 x 33 MVA Ferro Alloys plant backed by 80 MW captive thermal power plant. In view of the better market conditions, the company had started production of ferro alloys from June but due to global down turn in commodities ferro alloys plant did not perform as expected. During the year, the operation of the plants and assets were badly affected by the HUDHUD Cyclone causing stoppage of production for around 27 days. The team restored operation in reasonably quick time. Due to adverse market condition and disruption in operations due to cyclone, inspite of fall in the interest burden, during the year, SMAL has reported a net profit of ₹ 3.80 crore against ₹ 6.89 crore reported in the previous year.
- **Sarda Energy Ltd. (SEL)**, a wholly owned subsidiary was incorporated as an SPV to put-up 1320 MW super critical IPP thermal power project in Chhattisgarh. In view of inordinate delay in acquisition of land and delay in getting various approvals, the Company has decided to abandon the project. Accordingly the preliminary and pre-operative expenses of ₹ 11.98 crore incurred by the SPV has been written off and booked as expense during the year.
- **Parvatiya Power Ltd. (PPL)**, is operating 4.8 MW Loharkhet Hydro Power Project in Bageshwar District of Uttarakhand since 2008. During the year 2014-15, the plant generated and supplied 203.42 lac KWh (previous year: 209.17 lac KWh) power achieving 48% capacity utilization factor. The Company has earned profit after tax of ₹ 2.87 crore as against ₹ 2.20 crore in the previous year. The Company is evaluating capacity enhancement in the project.

Your Company continues to hold 51% stake in PPL.

- **Madhya Bharat Power Corporation Ltd. (MBPCL)**, is implementing the 96 MW Rongnichu Hydro Power Project near Gangtok in East Sikkim as a run-of-the-river scheme. Work on the project is progressing slower than expected due to poor geology. The project has faced time and cost overruns. The Company has applied for additional funding for cost overrun, which is under active consideration of the lenders. The Project has been successfully registered as a CDM Project with UNFCCC.

Consequent to additional equity infusion during the year, share of your Company as on 31st March, 2015 has gone up from 58.73% to 67.59%.

- **Sarda Hydro Power Pvt. Ltd. (SHPPL)** has been allotted 24 MW Kotaiveera and 9MW Ganeshpur Small Hydro Power Project in Chhattisgarh. Land acquisition and statutory approvals are in progress. Your Company holds 60% stake in SHPPL.
- **Raipur Fabritech Pvt. Ltd. (RFPL)** has been incorporated to undertake steel fabrication activities at the site of closed steel plant of your Company. The Company is also exploring possibility of developing a logistic park. The Company is yet to start operations. Your Company holds 52.38% stake in RFPL.
- **Raipur Industrial Gases Pvt. Ltd. (RIGPL)** has been incorporated to undertake activities related to production of industrial gases. The Company is yet to start operations. Your Company holds 51% stake in RFPL.
- **Natural Resources Energy Pvt. Ltd. (NREPL)** is an SPV to carry on the business of development of mines and minerals, generation and trading of power and infrastructure development. The company had participated in the recently concluded auction of coal mines as an SPV. NREPL has become subsidiary in the F.Y. 2014-15. The entire share capital of the company is held by SEML and its wholly owned subsidiary SMAL.

Controlled Entities

- **Chhattisgarh Hydro Power LLP (CHP LLP)** has been allotted four run-of-the river Small Hydro Power Projects in Chhattisgarh with a total generation capacity of 77 MW. The work on the first 24 MW Gullu hydro power project is progressing as per schedule and the project is expected to achieve the commercial operation in the next financial year. The project is entitled for CDM benefits. MOEF has conveyed Host Country Approval to the Project for CDM registration. The project is currently under validation stage.

All these projects are entitled for benefits in the form of subsidy from Ministry of New & Renewable Energy, Clean Development Mechanism as well as Renewable Energy Certificates. Your Company has made additional contribution of ₹ 1.61 crore during the year towards its share in the LLP and holds 60.95% stake in CHP LLP.

- **Shri Ram Electricity LLP (SRELLP)** was incorporated as a special purpose vehicle (SPV) for setting up a captive thermal power plant of 40 MW in the State of Chhattisgarh. In view of the cancellation of coal linkage for the power project, the LLP is reviewing its decision to implement the project. Your Company continues to hold 51% stake in SRELLP.

Joint Ventures

- **Raipur Infrastructure Company Ltd. (RICL)** operates a private Railway Siding in Mandhar, Raipur. During the year 2014-15 the Company has earned profit of ₹ 1.02 crore as against ₹ 2.76 crore in the previous year. In view of changed market scenario, the Company has dropped railway siding proposed in Odisha. An amount of ₹ 1.37 crore spent on the project has been written off during the year in view of the decision. Your Company holds one third share in the Joint Venture.
- **Madanpur South Coal Co. Ltd. (MSCCL)** was SPV for the Madanpur South coal block allotted to a consortium. The Supreme Court has cancelled all coal block allotments made by the Government through Screening Committee and govt. dispensation. The SPV holds certain assets, including land, acquired for the project. The SPV would be wound-up after disposal of these assets. The SPV has bought back part of the equity shares during the current year out of the surplus funds as permitted by the law. Your Company holds a 20.63% stake in the joint venture.
- **Godawari Natural Resources Ltd. (GNRL)** is an SPV for acquisition and development of mines and minerals, generation and trading of power and infrastructure development. SEML had participated in auction for acquisition of coal mine jointly with others through this SPV to meet the prescribed eligibility criteria. Your Company acquired 29.98% stake in GNRL during the year.

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

Consolidated financial statements

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

The annual accounts and related information of the subsidiary companies are open for inspection by any member/investor at the Registered Office of your Company and the subsidiary concerned and your Company will make available these documents/details upon request by any member of the Company who may be interested in obtaining the same.

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 accounts of each of its subsidiaries, are available on our website www.seml.co.in. These documents are also available for inspection during business hours at our registered office in Nagpur, India.

ESOP Scheme

Your Company treats its human capital as the most valued asset and as a gesture of its feeling, your Company has implemented SEML ESOP Scheme 2012 for the employees and directors of your Company and its subsidiaries. As on 31st March, 2015, 2,22,240 options have been vested at a price of ₹ 125/- per share. Out of this 1,28,319 options have been exercised by the employees.

The disclosures required to be made in the Directors' Report in respect of the aforesaid ESOP Scheme, are contained in **Annexure A** forming part of the Directors' Report.

Directors

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

Further, in terms of the approval of the Board of Directors, it is proposed to re-appoint Mr. K.K. Sarda, as Chairman & Managing Director for a fresh term of five year w.e.f. 1st April, 2015. Necessary resolution for the same is taken for approval of the members in the general meeting.

Brief profile of the Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and shareholding are provided in the Corporate Governance Report forming part of the Annual Report.

During the year under review, the members approved the appointment of Mrs. Uma Sarda as a non-executive Non-Independent woman Director who is liable to retire by rotation and reappointments of Mr. A.K. Basu, Mr. C.K. Lakshminarayanan, Mr. G.S. Sahni, Mr. J. Balakrishnan, Mr. P.R. Tripathi and Mr. Rakesh Mehra, as Independent Directors who are not liable to retire by rotation.

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI under clause 49 of the Equity Listing Agreement, the Board of directors ("Board") has carried out an annual evaluation of its own performance, and that of its

Committees and individual directors. The performance of the Board and individual directors was evaluated by the Board seeking inputs from all the directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors. A separate meeting of Independent Directors was also held to review the performance of Non-Independent directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The evaluation of Independent Directors was carried out without the presence of that director. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual directors. Key criteria's for performance evaluation are given in **Annexure B** to directors' report.

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

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

Familiarisation programmes for Board Members

Your Company provides information to familiarize the Independent Directors with the strategy, operations and functions of the Company. The Board members are provided with information/ presentations and are given the opportunity to interact with the Senior Management of your Company to help them to understand the Company's strategy, business model, operations, products, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other matters as may arise from time to time.

The Directors get an opportunity to visit Company's plants, where plant heads appraise them of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of your Company and initiatives taken on safety, quality, CSR, sustainability etc. At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates. Quarterly presentations on operations made to the Board include information on business performance, operations, safety, market scenario, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario, etc.

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

Directors' Responsibility Statement

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2015, 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, 2015 and of the profit of the Company for the year ended on that date;

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

Key managerial personnel

During the year, the Board appointed Mr. Padam Kumar Jain as Chief Financial Officer and Mr. Manish Sethi as Company Secretary of the Company w.e.f. 14th August, 2014.

Auditors and Auditors' Report

Statutory Auditors

M/s. O.P. Singhanian & Co., Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

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.

Cost Auditors

The Board has appointed the M/s. S.N. & Co., Cost & Management Accountants, as cost auditors for conducting the audit of cost records of the Company.

Secretarial Auditor

The Board has appointed S.G. Kankani & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure E** to this Report. The Secretarial Audit Report is self explanatory and do not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Corporate Social Responsibility (CSR)

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

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.semI.co.in - under the head corporate governance/policies under the Investors' section. The annual report on the CSR activities is annexed as **Annexure F** to directors' report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the stock exchanges, Corporate Governance Report along with the Auditors' Certificate regarding compliance of conditions of Corporate Governance is made a part of the Annual Report.

Disclosures

Board/Committees/Vigil Mechanism

The Board of Directors met 6 (six) times in the financial year 2014-15. The details of the composition of Board of Directors, Corporate Social Responsibility Committee, Audit Committee, other committees of the Board, meetings of the board and committees and attendance of directors at the Board and committee meetings and implementation of Vigil Mechanism are given in the Corporate Governance Report forming part of this Annual Report.

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

Particulars of loans given, investments made and guarantees given are given in note no. 13, 16, 37 and 44 to the standalone financial statements. The Company, in its capacity of promoter, has pledged its entire holding in Parvatiya Power Ltd. and 67.54% of its holding in MBPCL with the lenders for loans granted to them. 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

All contracts/arrangements/transactions entered by the Company during the financial year with the related parties were in the ordinary course of business and on an arm's length basis in the best interest of the Company. During the year the company had not entered into any contract/ arrangement /transaction with related party which could be considered material in accordance with the policy of the company on materiality of related party transactions.

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

Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

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

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

Extract of Annual Return

Extract of Annual Return of the Company is annexed herewith as **Annexure H** to this report.

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

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, accident,

security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

A Risk Management Policy was approved by the Committee. The Company monitors and manages the risks and uncertainties that can impact its ability to achieve its strategic objectives.

General

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employee Stock Options Scheme referred to in this Report.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The disclosures/information/details disclosed/given elsewhere in the annual report has not been repeated again in the directors' report for the sake of brevity. Members are requested to refer relevant sections for the information.

Acknowledgement

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

Raipur, 25th July, 2015

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

Annexure 'A' to the Directors' Report

Disclosure with respect to Employees Stock Option Scheme of the Company:

S. No.	Particulars	ESOP Scheme 2012
1	Total Number of Options under the plan	7,17,000
2	Options Granted during the year	NIL
3	Exercise Price & the Pricing formula	₹ 125/-
4	Options vested (during the year)	1,11,120
5	Options exercised (during the year)	1,02,353
6	The total number of shares arising as a result of exercise of options during the year.	1,02,353
7	Options lapsed (during the year)	29159
8	Variation in terms of options	---
9	Money realized by exercise of options (during the year)	1,27,94,125/-
10	Total number of options in force at the end of the year	2,01,848
11	Employee wise details of options granted to:	
	i Senior Management Personnel during the year	No option has been granted during the year under review
	ii Employees holding 5% or more of the total number of options granted during the year.	---
	iii Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	---
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (Accounting Standard (AS) 20 "Earning per Share").	₹ 15.52
13	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employees' compensation cost so computed and the employees compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Please refer point (f) of Note No.3(d) to standalone accounts
14	Weighted-average exercise prices and weighted – average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Please refer Note 1 below
15	A description of the method and significant assumptions used during the year to estimate the fair values of options including the following weighted average information:	
	i. risk free interest rate	8%
	ii. expected life	41 months
	iii. expected volatility	8%
	iv. expected dividend yield	30%
	v. the price of the underlying shares in market at the time of option grant	₹ 129.20

Note: 1

A. Weighted average Fair Value of Options granted during the year whose

- | | | |
|---|---|--|
| (a) Exercise price equals market price | : | Not applicable |
| (b) Exercise price is greater than market price | : | Not applicable |
| (c) Exercise price is less than market price | : | Not applicable since no options were granted during the year |

B. Weighted average Exercise price of Options granted during the year whose

- | | | |
|---|---|--|
| (a) Exercise price equals market price | : | Not applicable |
| (b) Exercise price is greater than market price | : | Not applicable |
| (c) Exercise price is less than market price
(as on the date of grant) | : | Not applicable since no options were granted during the year |

Annexure 'B' to the Directors' Report

Key Evaluation Criteria

Evaluation of Board

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

Evaluation of Independent Directors

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

Evaluation of Non-Independent Directors

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

Annexure 'C' to the Directors' Report

Remuneration Policy

I Preamble

As per the requirements of Companies Act, 2013 and the Listing Agreement, the Board of Directors of Sarda Energy & Minerals Ltd. ("Company") has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

The Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for stakeholders.

II Objective

The objectives of the Policy shall be to:

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

III Guiding Principles

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

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

IV Remuneration

1. General

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

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

e. Leave

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

f. Retirement benefits

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

g. Loans to employees

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

2. Remuneration to Whole-time / Managing Director

a. Fixed pay

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

b. Variable pay

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

c. Minimum Remuneration

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

d. Provisions for excess remuneration

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

e. Stock Options

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

3. Remuneration to Non- Executive / Independent Director

a. Remuneration / Commission

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

b. Sitting Fees

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

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

c. Stock Options

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

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

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

4. Remuneration to Key Managerial Personnel and Senior Management

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

5. Other Employees

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

V Remuneration Duties

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

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

VI Implementation

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

VII Policy Review

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

VIII Dissemination

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

Annexure 'D' to the Directors' Report

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

Qualifications

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

Positive attributes

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

Independence

A director will be considered as an "independent director" if the person meets with the criteria for 'independent director' as laid down in the Companies Act, 2013 and/or Clause 49.

Annexure 'E' to the Directors' Report

Secretarial Audit Report for the financial year ended March 31, 2015

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR 2014-15

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

To,

THE MEMBERS,

M/S SARDA ENERGY & MINERALS LIMITED

CIN: L27100MH1973PLC016617

73-A, CENTRAL AVENUE

NAGPUR 440018 (MS)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Sarda Energy & Minerals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 in compliance of the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws applicable specifically to the Company namely:
 - a) Mines Act, 1952 and the rules made thereunder;
 - b) Mines & Minerals (Development & Regulation) Act, 1957 and the rules made thereunder;
 - c) Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 and the rules made thereunder;
 - d) Explosives Act, 1984 and the rules made thereunder;

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with Stock Exchanges in India.

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

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

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

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

requiring compliance thereof by the Company during the Financial Year and the Secretarial Standards issued by the Institute of Company Secretaries of India were not applicable during the year.

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

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

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

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

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

Raipur, 25th July, 2015

For, S.G. KANKANI & ASSOCIATES
COMPANY SECRETARIES

(S.G. KANKANI)
PARTNER
FCS No.: 3127
CP No. : 14730

Annexure 'F' to the Directors' Report

Annual Report on CSR Activities

Brief Outline of CSR Policy

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

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

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

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

CSR Committee

We have a Board Committee (CSR Committee) that oversees the execution of CSR Policy to ensure that the CSR objectives of the Company are met. The Committee comprises of:

- ✓ Mr. P.R. Tripathi, Chairman
- ✓ Mr. K.K. Sarda
- ✓ Mr. Pankaj Sarda



Blood donors after blood donation



Distribution of Winterwear to students



Handing over the trophy to winner of Gondwana Cup sponsored by the Company

Financial details

As per the Companies Act, 2013, the Company is required to constitute a corporate social responsibility (CSR) committee of the Board of Directors comprising three or more directors with at least one being independent director and such company shall spend at least 2% of the average net profits of the company's three immediately preceding financial years. The relevant details are as hereunder:

Particulars	Amount (₹ lac)
Average net profit of the Company for last three financial years	11,775
Prescribed CSR expenditure (2% of net profit as computed above)	235.51
Details of CSR Expenditure during 2014-15	
Total amount to be spent	235.51
Amount spent	227.52
Amount unspent*	7.99

* spent in 2015-16 after receipt of proper documents

Details of CSR spent during the financial year 2014-15

(₹ in lac)

S.No.	CSR Project or activity identified	Sector in which the project is covered (as per clauses of Schedule VII to Companies Act, 2013)	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative Expenditure upto the reporting period	Amount Spent Direct or through Implementing Agency
1	Healthcare	Clause (i)	Raipur, Raigarh and Dongarbore in Chhattisgarh	50.00	48.29	48.29	Direct
2	Education	Clause (ii)	Raipur, Raigarh and Dongarbore in Chhattisgarh	60.00	61.33	61.33	Direct/ Implementing agency*
3	Social projects	Clause (iii)	Raipur, Raigarh and Dongarbore in Chhattisgarh	30.00	27.33	27.33	Direct/ Implementing agency@
4	Environment	Clause (iv)	Raipur, Raigarh and Dongarbore in Chhattisgarh	12.00	11.83	11.83	Direct
5	Art & Culture	Clause (v)	Raipur, Raigarh and Dongarbore in Chhattisgarh	25.00	23.47	23.47	Direct
6	Help to widows	Clause (vi)	Raipur, Raigarh and Dongarbore in Chhattisgarh	1.00	0.72	0.72	Direct
7	Sports	Clause (vii)	Raipur, Raigarh and Dongarbore in Chhattisgarh	10.00	8.05	8.05	Direct/ Implementing Agency#

8	Rural development projects	Clause (x)	Raipur, Raigarh and Dongarbore in Chhattisgarh	40.00	39.03	39.03	Direct
9	Administrative Expenses	Office	Raipur	8.00	7.47	7.47	
			Total	236.00	227.52	227.52	

* Friends of Tribal Society

@ Matru Sewa Sangh

Chhattisgarh State Tennis Association

Responsibility Statement

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

P.R. Tripathi
(Chairman – CSR Committee)

K.K. Sarda
(Chairman & Managing Director)

Annexure 'G' to the Directors' Report

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

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

A. Conservation of energy

i)	Steps taken or impact on conservation of energy	:	PELLET & GRINDING PLANT
		i)	Replacement of 220 kw cooler fan by a 75 kw fan
		ii)	Replacement of existing lighting system in lighting yard
		iii)	Modification for stopping of 160 kw concentrate thickener over flow pump
			SPONGE IRON PLANT
		iv)	Replacement of existing area light system with High Mast Lighting Tower
			POWER PLANT
		v)	Replacement of GRP blades by FRP blades in cooling tower fans
		vi)	Placement of order for energy efficient turbine to replace old turbine.
			FERRO ALLOYS PLANT
		vii)	Energy saving in Gas cleaning plant
		viii)	Replacement of GRP blades by FRP blades in cooling tower fans
			STEEL DIVISION
		ix)	Replacement of two low head 90 kw pump by a high head 110 kw pump
x)	Installation of VVFD for Recruiperator Blower		
xi)	Stoppage of reheating furnace and 100% hot charging of billets for wire rod production		
ii)	the steps taken by the company for utilising alternate sources of energy	:	----
iii)	the capital investment on energy conservation equipments	:	₹ 75.30 lac

B. Technology absorption

i)	the efforts made towards technology absorption	:	i)	FRP blade for cooling tower of power plant
			ii)	Screw compressor in Sponge Iron Plant
			iii)	VVFD implementation for Recruiperator Blower
ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	:		Reduction in power consumption Reduction in fuel consumption
iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	:		-----
	a) the details of technology imported	:		-----
	b) the year of import	:		-----
	c) whether the technology has been fully absorbed	:		-----
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	:		-----
iv)	the expenditure incurred on Research and Development	:		Expenditure on R & D is not specifically accounted for. Internal team undertakes the R & D activities.

C. Foreign exchange earnings and outgo

Total foreign exchange earnings and outgo	(₹ in crore)
a) Foreign exchange earnings	191.59
b) Foreign exchange outgo	131.36

On behalf of the Board of Directors

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

Raipur, 25th July, 2015

Annexure 'H' to the Directors' Report

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2015

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

I. Registration and other details :

CIN	L27100MH1973PLC016617
Registration Date	23.06.1973
Name of the Company	Sarda Energy & Minerals Ltd.
Category / Sub-Category of the Company	Public company / Limited by shares
Address of the Registered Office and contact details	73-A, Central Avenue, Nagpur (M.H.) 440018
	Tel: +91-712-2722407
	Fax: +91-712-2722107
Whether listed company	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	Sharepro Services (India) Pvt. Ltd.
	Samhita Warehousing Complex
	Warehouse No.52 & 53, Plot No.13AB
	2 nd Floor, Sakinaka, Mumbai - 400072
	Tel: +91-22-67720400
	Fax: +91-22-67720416

II. Principal Business Activities of the Company :

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Sponge Iron/Ferro Alloys/Billet/Wire-rod/ Iron ore Pellet	241 - Manufacture of basic iron and steel	89.58%

III. Particulars of Holding, Subsidiary and Associate Companies:

Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Sarda Energy & Minerals Hongkong Ltd.	NA	Subsidiary	100.00%	2(87)(ii)
Sarda Global Venture Pte. Ltd.	NA	Subsidiary	100.00%	2(87)(ii)
Sarda Metals & Alloys Ltd.	U51420MH2008PLC187689	Subsidiary	100.00%	2(87)(ii)
Sarda Energy Ltd.	U40102CT2008PLC000406	Subsidiary	100.00%	2(87)(ii)
Madhya Bharat Power Corporation Ltd.	U74899DL1994PLC061349	Subsidiary	67.59%	2(87)(ii)
Parvatiya Power Ltd.	U40101UP1994PLC017151	Subsidiary	51.00%	2(87)(ii)
Sarda Hydro Power Pvt. Ltd.	U40101OR1999PTC005781	Subsidiary	60.00%	2(87)(ii)
Raipur Fabritech Pvt. Ltd.	U28910MH2011PTC221297	Subsidiary	52.38%	2(87)(ii)
Raipur Industrial Gases Pvt. Ltd.	U40300MH2011PTC224871	Subsidiary	51.00%	2(87)(ii)
Natural Resources Energy Pvt. Ltd.	U40101CT2007PTC020163	Subsidiary	71.55%	2(87)(ii)
Chhattisgarh Hydro Power LLP	AAA-2277	Subsidiary	60.95%	2(87)(ii)
Shri Ram Electiricty LLP	AAA-2517	Subsidiary	51.00%	2(87)(ii)
Raipur Infrastructure Company Ltd.	U45203CT2004PLC016321	Associate	33.33%	2(6)
Madanpur South Coal Company Ltd.	U10300CT2006PLC020006	Associate	20.63%	2(6)
Godawari Natural Resources Ltd.	U14200CT2008PLC020926	Associate	29.98%	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	8,153,928	0	8,153,928	22.74	8,153,428	0	8,153,428	22.68	(0.06)
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	16,466,129	0	16,466,129	45.93	16,494,651	0	16,494,651	45.88	(0.05)
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....						0	0	0.00	0.00
f i) Firm	1,000,000	0	1,000,000	2.79	1,000,000	0	1,000,000	2.78	(0.01)
Sub-Total (A)(1):	25,620,057	0	25,620,057	71.46	25,648,079	0	25,648,079	71.34	(0.12)
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2):	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	25,620,057	0	25,620,057	71.46	25,648,079	0	25,648,079	71.34	(0.12)
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	754,184	650	754,834	2.11	1,204,224	650	1,204,874	3.35	1.24
b) Banks / FI	1,842,255	2,600	1,844,855	5.15	1,268,253	2,600	1,270,853	3.53	(1.62)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	250	250	0.00	0	250	250	0.00	0.00
g) FIs	405,680	0	405,680	1.13	76,750	0	76,750	0.21	(0.92)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	3,002,119	3,500	3,005,619	8.38	2,549,227	3,500	2,552,727	7.10	(1.28)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1,490,685	14,149	1,504,834	4.20	2,100,463	14,049	2,114,512	5.88	1.68
ii) Overseas	1,804,891	0	1,804,891	5.03	1,804,891	0	1,804,891	5.02	(0.01)
b) Individuals									
i) Individual Share holders holding nominal share capital upto ₹ 1 lakh	2,650,438	500,043	3,150,481	8.79	2,370,024	486,804	2,856,828	7.95	(0.84)
i) Individual Share holders holding nominal share capital in excess of ₹ 1 lakh	696,882	0	696,882	1.94	905,901	0	905,901	2.52	0.58

c) Others (specify)									
c i) NRIs	55,179	100	55,279	0.15	46,091	100	46,191	0.13	(0.02)
c ii) Directors	11,820	137	11,957	0.03	23,087	137	23,224	0.06	0.03
Sub-Total (B)(2):	6,709,895	514,429	7,224,324	20.15	7,250,457	501,090	7,751,547	21.56	1.41
Total Public Share holding (B)=(B)(1)+(B)(2)	9,712,014	517,929	10,229,943	28.54	9,799,684	504,590	10,304,274	28.66	0.12
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	35,332,071	517,929	35,850,000	100.00	35,447,763	504,590	35,952,353	100.00	0.00

Note: During the year 14-15, total No. of shares increased due to issue of 102353 equity shares under ESOP Scheme.

ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Chhatisgarh Investments Ltd.	12265657	34.214	0	12294179	34.196	0	(0.018)
2	Sarda Agriculture & Preoperties Pvt Ltd.	2635150	7.350	0	2635150	7.330	0	(0.021)
3	Prachi Agriculture & Properties Pvt. Ltd.	1565322	4.366	0	1565322	4.354	0	(0.012)
4	G.D. Sarda	1392378	3.884	0	1392378	3.873	0	(0.011)
5	Kamal Kishore Sarda	1309149	3.652	0	1309149	3.641	0	(0.010)
6	J.K. Sarda	1172365	3.270	0	1172365	3.261	0	(0.009)
7	Shakuntala Sarda	1014518	2.830	0	1014518	2.822	0	(0.008)
8	Chhattisgarh Investments Ltd.	1000000	2.789	0	1000000	2.781	0	(0.008)
9	Veena Sarda	702350	1.959	0	702350	1.954	0	(0.006)
10	Pankaj Sarda	691107	1.928	0	691107	1.922	0	(0.005)
11	Premlata Sarda	468910	1.308	0	468910	1.304	0	(0.004)
12	Uma Sarda	489425	1.365	0	489425	1.361	0	(0.004)
13	Dr. K.K. Rathi	251731	0.702	0	251731	0.700	0	(0.002)
14	Manish Sarda	237570	0.663	0	237570	0.661	0	(0.002)
15	Aditya Sarda	112840	0.315	0	112840	0.314	0	(0.001)
16	Raghav Sarda	112840	0.315	0	112840	0.314	0	(0.001)
17	Neeraj Sarda	98490	0.275	0	98490	0.274	0	(0.001)
185	Anant Sarda	49140	0.137	0	49140	0.137	0	0.000
19	J.K. Sarda (HUF)	21716	0.061	0	21716	0.060	0	0.000
20	Shashi Rathi	20267	0.057	0	19767	0.055	0	(0.002)
21	Aditi Sarda	9132	0.025	0	9132	0.025	0	0.000
	Total	25620057	71.465	0	25648079	71.339	0	(0.126)

Note: During the year 14-15, total No. of shares increased due to issue of 102353 equity shares under ESOP Scheme.

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

S. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
1	Chhatisgarh Investments Ltd.	At the beginning of the year	12265657	34.214					
		Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	03.04.2014	Purchase	1549	12267206	34.121		
			04.04.2014	Purchase	4193	12271399	34.132		
			07.04.2013	Purchase	1675	12273074	34.137		
			16.04.2014	Purchase	5522	12278596	34.152		
			17.04.2014	Purchase	130	12278726	34.153		
			21.04.2014	Purchase	1043	12279769	34.156		
			22.04.2014	Purchase	1225	12280994	34.159		
			23.04.2014	Purchase	8124	12289118	34.182		
		25.04.2014	Purchase	5061	12294179	34.196			
	At the end of the year	12294179	34.196						
2	Shashi Rathi	At the beginning of the year	20267	0.057					
		Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	22.05.2014	Sale	(21)	20246	0.056		
			23.05.2014	Sale	(200)	20046	0.056		
			19.03.2015	Sale	(279)	19767	0.055		
			At the end of the year	19767	0.055				
3	Others Promoters (as mentioned in (ii) above)	At the beginning of the year	13334133	37.194					
		Datewise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				#	#		
		At the end of the year	13334133	37.088					

There is no change in the holding of other promoters during the year 14-15. The change in % holding is due to issue of 102353 shares under ESOP Scheme

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

S. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year		
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares	
1	IDFC Ltd.	At the beginning of the year	1842105	5.14						
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				25.07.2014	Sale	(47452)	1794653	4.99
						15.08.2014	Sale	(174000)	1620653	4.51
						22.08.2014	Sale	(113976)	1506677	4.19
						29.08.2014	Sale	(240800)	1265877	3.52
						12.09.2014	Sale	(8100)	1257777	3.50
					20.02.2015	Sale	(50000)	1207777	3.36	
At the end of the year	1207777	3.36								
2	Asia Minerals Ltd.	At the beginning of the year	1804891	5.03						
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				NIL		NIL		
		At the end of the year*	1804891	5.02						
3	Reliance Capital Trustee Co. Ltd. - Reliance Long Term Equity Fund	At the beginning of the year	754184	2.10						
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				30.06.2014	Purchase	29828	784012	2.18
		At the end of the year	784012	2.18						
4	Orange Mauritius Investments Ltd.	At the beginning of the year	390680	1.09						
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				31.12.2014	Sale	(23317)	367363	1.02
						02.01.2015	Sale	(10683)	356680	0.99
						09.01.2015	Sale	(29209)	327471	0.91
						23.01.2015	Sale	(35871)	291600	0.81
						30.01.2015	Sale	(291600)	0	0.00
At the end of the year	0	0.00								

* Change in % holding is due to issue of 102353 shares under ESOP

5	Orient Fincorp Ltd.	At the beginning of the year	253891	0.71					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):				#		#	
		At the end of the year	253891	0.71					
6	Fortune Couriers Ltd.	At the beginning of the year	224008	0.62					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			18.04.2014	Purchase	2000	226008	0.63
					08.08.2014	Purchase	995	227003	0.63
					15.08.2014	Sale	(2000)	225003	0.63
		At the end of the year	225003	0.63					
7	Ravi Thakurdas Laddha	At the beginning of the year	125425	0.35					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			14.08.2014	ESOP	3167	128592	0.36
		At the end of the year	128592	0.36					
8	Blue Diamond Infrastructure & Realty Pvt. Ltd.	At the beginning of the year	71073	0.20					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			22.08.2014	Sale	(71073)	0	0
		At the end of the year	0	0.00					
9	Prachi Sarda	At the beginning of the year	66020	0.18					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			15.08.2014	Purchase	4500	70520	0.20
					30.09.2014	Purchase	322	70842	0.20
		At the end of the year	70842	0.20					

10	Ajay Natwarlal Vora	At the beginning of the year	53300	0.15					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			30.05.2014	Purchase	7000	60300	0.17
					18.07.2014	Purchase	26700	87000	0.24
					23.01.2015	Purchase	500	87500	0.24
					06.03.2015	Sale	(5000)	82500	0.23
		At the end of the year	82500	0.23					

11	ICICI Prudential Dynamic Plan*	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			29.08.2014	Purchase	202744	202744	0.56
					30.09.2014	Purchase	34047	236791	0.66
					17.10.2014	Purchase	154391	391182	1.09
					31.03.2015	Purchase	29030	420212	1.17
		At the end of the year	420212	1.17					

* not among top 10 as on 01.04.2014

12	Vayudoot Commercial Pvt. Ltd.*	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			06.02.2015	Purchase	290000	290000	0.81
		At the end of the year	290000	0.81					

* not among top 10 as on 01.04.2014

13	Quant Broking Pvt. Ltd.*	At the beginning of the year	0	0.00					
		Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):			18.07.2014	Purchase	14989	14989	0.04
					25.07.2014	Sale	(14989)	0	0.00
					15.08.2014	Purchase	14989	14989	0.04
					31.10.2014	Purchase	189411	204400	0.57
					19.12.2014	Sale	(204400)	0	0.00
					31.12.2014	Purchase	200000	200000	0.56
					09.01.2015	Purchase	4602	204602	0.57
					30.01.2015	Sale	(14520)	190082	0.53
					06.02.2015	Purchase	98	190180	0.53
					20.02.2015	Sale	(20000)	170180	0.47
					06.03.2015	Purchase	943	171123	0.48
At the end of the year	171123	0.48							

* not among top 10 as on 01.04.2014

v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name		Shareholding (Beginning of the year)		Transactions during the year			Cumulative shareholding during the year	
			No. of Shares	% of total shares	Date	Reason	No. of shares	Cumulative	% of total shares
1	Kamal Kishore Sarda*	At the beginning of the year	1309149	3.65					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				Nil			Nil
		At the end of the year	1309149	3.64					
2	Pankaj Sarda*	At the beginning of the year	691107	1.93					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				Nil			Nil
		At the end of the year	691107	1.92					
3	Uma Sarda*	At the beginning of the year	489425	1.37					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):				Nil			Nil
		At the end of the year	489425	1.36					

* Change in % holding is due to issue of 102353 shares under ESOP

4	G.D. Mundra	At the beginning of the year	5820	0.02					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			14.08.2014	ESOP	4667	10487	0.03
		At the end of the year	10487	0.03					
5	C.K. Lakshmi Narayanan	At the beginning of the year	6000	0.02					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			14.08.2014	ESOP	1000	7000	0.02
		At the end of the year	7000	0.02					

6	A.K. Basu	At the beginning of the year	0	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			29.09.2014	ESOP	2000	2000	0.01
		At the end of the year	2000	0.01					
7	G.S. Sahni	At the beginning of the year	0	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			14.08.2014	ESOP	1167	1167	0.00
					29.09.2014	ESOP	1167	2334	0.01
		At the end of the year	2334	0.01					
8	J. Balakrishnan	At the beginning of the year	0	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			14.08.2014	ESOP	833	833	0.00
		At the end of the year	833	0.00					
9	Rakesh Mehra	At the beginning of the year	337	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):			14.08.2014	ESOP	4833	5170	0.01
		At the end of the year	5170	0.01					
10	P.R. Tripathi	At the beginning of the year	0	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):				Nil		Nil	
		At the end of the year	0	0.00					
11	P.K. Jain (CFO)	At the beginning of the year	0	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):			14.08.2014	ESOP	3000	3000	0.01
		At the end of the year	3000	0.01					

12	Manish Sethi (CS)	At the beginning of the year	400	0.00					
		Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):			14.08.2014	ESOP	427	827	0.00
		At the end of the year	827	0.00					

V. INDEBTEDNESS

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

(₹ in lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	60,935.60	1,853.85	-	62,789.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	333.82	-	-	333.82
Total (i+ii+iii)	61,269.42	1,853.85	-	63,123.27
Change in Indebtedness during the financial year				
Addition	13,910.85	2,000.00	-	15,910.85
Reduction	(24,931.05)	(1,092.89)	-	(26,023.94)
Net Change	(11,020.20)	907.11	-	(10,113.09)
Indebtedness at the end of the financial year				
i) Principal amount	49,979.28	2,760.96	-	52,740.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	269.94	-	-	269.94
Total (i+ii+iii)	50,249.22	2,760.96	-	53,010.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹. in lac)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Mr. K.K. Sarda	Mr. Pankaj Sarda	Mr. G.D. Mundra	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	81.64	51.87	33.60	167.11
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	17.71	0.29	0.00	18.00
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00	0.00
2	Stock Options	0.00	0.00	1.04	1.04
3	Sweat Equity	0.00	0.00	0.00	0.00

4	Commission				
	a) as % of profit	200.00	0.00	0.00	200.00
	b) others, specify....	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	299.35	52.16	34.64	386.15
	Ceiling as per the Act	₹ 885.95 lac (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Director							Total
	Mrs. Uma Sarda	Mr. C.L. Lakshminarayanan	Mr. A.K. Basu	Mr. Rakesh Mehra	Mr. P.R. Tripathi	Mr. G.S. Sahni	Mr. J. Balakrishnan	
Independent Directors:								
Fee for attending board / committee meetings	0.00	1.40	1.20	1.20	1.40	0.80	1.90	7.90
Commission	0.00	3.00	3.00	1.00	1.00	3.00	1.00	12.00
Others, please specify (Stock option)	0.00	0.22	0.45	1.08	0.00	0.74	0.19	2.67
Total (1)	0.00	4.62	4.65	3.28	2.40	4.54	3.09	22.57
Other Non Executive Directors								
Fee for attending board / committee meetings	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.40
Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (2)	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.40
Total (B) = (1+2)	0.40	4.62	4.65	3.28	2.40	4.54	3.09	22.97
Total Managerial Remuneration*								409.12
Overall Ceiling as per the Act	₹ 88.60 lac (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO (Mr. P.K. Jain)	CS (Mr. Manish Sethi)	
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	38.07	8.55	46.62
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.29	0.00	0.29
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0.00	0.00	0.00
2	Stock Options	0.67	0.10	0.77
3	Sweat Equity	0.00	0.00	0.00
4	Commission			
	a) as % of profit	0.00	0.00	0.00
	b) others, specify....	0.00	0.00	0.00
	Others, please specify	0.00	0.00	0.00
	Total	39.03	8.65	47.68

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

Annexure '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.

i)	Name	:	Mr. Kamal Kishore Sarda
ii)	Designation	:	Chairman and Managing Director
iii)	Remuneration received	:	₹ 299.35 lac
iv)	Nature of employment, whether contractual or otherwise		Contractual
v)	Qualification and experience		B.E. (Mech.) More than 40 years industrial experience
vi)	Date of commencement of employment	:	16 th December, 1978
vii)	Age		63 Years
viii)	Last employment held		---
ix)	Names of other directors related to the employee		Mr. Pankaj Sarda, Mrs. Uma Sarda

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.

On behalf of the Board of Directors

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

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 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S.No.	Name of Director / KMP	Remuneration of Director/ KMP for financial year 2014-15 (₹ in lac)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	Comparison of the Remuneration of each KMP against the performance of the Company
1	Mr. K.K. Sarda	299.35	9.08	141.76	Net revenue increased by 8.68%. EBIDTA increased by 27.86%. PAT decreased by 25.93%. PAT was low because of additional levy imposed by the Supreme Court.
2	Mr. Pankaj Sarda	52.16	69.34	24.70	
3	Mr. G.D. Mundra	34.64	13.20	16.40	
4	Mrs. Uma Sarda	0.40	@	@@	
5	Mr. C.K. Lakshminarayanan	4.62	10.07	2.19	
6	Mr. J. Balakrishnan	3.09	18.68	1.46	
7	Mr. G. S. Sahni	4.54	19.43	2.15	
8	Mr. P.R. Tripathi	2.40	33.33	1.55	
9	Mr. A.K. Basu	4.65	(3.22)	2.20	
10	Mr. Rakesh Mehra	3.28	63.84	1.55	
11	Mr. P.K. Jain (CFO)	39.03	9.31	18.48	Net revenue increased by 8.68%. EBIDTA increased by 27.86%. PAT decreased by 25.93%. PAT was low because of additional levy imposed by the Supreme Court.
12	Mr. Manish Sethi (CS)	8.65	11.52	4.09	

@ Details not given as Mrs. Uma Sarda was a not a Director in the financial year 2013-14

@@ Details not given as Mrs. Uma Sarda was a Director only for part of the financial year 2014-15 i.e. w.e.f. September 29, 2014.

- ii) The median remuneration of employees of the Company during 2014-15 was ₹ 2.11 lac.
- iii) In 2014-15, there was a decrease of 0.47% in the median remuneration of employees.
- iv) There were 1529 permanent employees on the rolls of Company as on March 31, 2015
- v) Relationship between average increase in remuneration and company performance:

The average increase in remuneration during Financial Year 2014-15 was 11.74%. Net revenues of the Company during the financial year increased by 8.68%. The total employee cost as a percentage of net revenues was 4.19% (last year 4.08%).

Average increase in remuneration is guided by factors like inflation, normal salary revisions, external competitiveness and talent retention.

Besides employee costs, other significant internal and external factors impacting performance of the Company are explained in detail in the Management Discussion & Analysis Report.

- vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

S.No.	Description	₹ in crore
1	Market Cap Variation	
	Market Cap on 31.03.2015	445.81
	Market Cap on 31.03.2014	397.22
	Variation in Market cap in 2015(%)	12.23
2	Price-to-Earnings Ratio	
	PE as at 31 March, 2015 (Mkt Price/EPS)	7.97
	PE as at 31 March, 2014 (Mkt Price/EPS)	4.39
	Variation in PE in FY 2015 (%)	81.55
3	% Increase/Decrease from last Public Offer	
	IPO Price per share 1989-90 (₹) (including ₹ 20/- premium)	30
	Market Price as on 31.03.2015 (₹)	124
	% increase from last IPO	313.33

- vii) Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 11.74% whereas the increase in the managerial remuneration for the same financial year was 14.38%.
- viii) Commission to Chairman & Managing Director is approved by the Nomination & Remuneration Committee keeping in view the performance of the Company. Commission to Non-executive Directors is based on the involvement and contribution towards governance practices and discharging fiduciary duties.
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – **Not Applicable**; and
- x) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

On behalf of the Board of Directors

(K.K. Sarda)

Chairman & Managing Director

DIN: 00008170

Management Discussion & Analysis

INDUSTRY STRUCTURE & DEVELOPMENT

Global Economy

Global growth in 2014 was a modest 3.4 percent, reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014. (Source - IMF's World Economic Outlook, April 2014)

Complex forces that affected global activity in 2014 include medium-and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices; and many country- or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies.

Indian Economy

The Indian economy in 2014-15 has emerged as one of the largest economies with a promising economic outlook on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others.

The Gross Value Added (GVA), a new methodology introduced by Central Statistics Office to measure the economic activity, rose by 7.2 per cent in 2014-15 compared to 6.6 per cent in the previous fiscal with base year of 2011-12. The manufacturing sector GVA rose by 7.1 per cent during the year as against 5.3 per cent in 2013-14 while mining and quarrying sector slipped to 2.4 per cent from 5.4 per cent a year ago.

During general elections held in May 2014, India witnessed the formation of Central Government with single party majority after 3 decades. This clear political mandate has ushered in new and significant hopes of India coming out of political uncertainties and taking long pending policy initiatives to accelerate economic recovery, improved business conditions, better fiscal, monetary and trade environment and corrections in overall economic fundamentals.

The new government has emphasized on improving ease of doing business, skill development and launching fresh initiatives like Make in India and Digital India, creating National Industrial Corridors Authority streamlining environment and forest clearances and labour reforms. The government has taken actions to remove regulatory uncertainty by passing ordinances to streamline land acquisition, e-auction of coal blocks for private companies and auction of other new coal mines. In the infrastructure sector, the focus has been on resolving long pending issues like pricing of gas, establishing processes and procedures for transparent auction of coal and minerals and improving power generation and distribution.

Iron and Steel

In 2014, overall global crude steel production expanded by 1.2 per cent, to 1.66 billion tonnes, from 1.64 billion tonnes in 2013. Global steel demand expanded by a mere 0.6 per cent to 1.537 billion tonnes, primarily due to contraction of demand in emerging economies like China, Brazil, Russia and Turkey. Chinese demand fell by 3.3 per cent in the year to 710.8 million tonnes, with the outlook for 2015 and 2016 showing signs of reducing further by 0.5 per cent year-on-year (yoy). Developed nations like USA, Germany, South Korea and Japan continued to show growth support during the year. In the first half of 2015, global steel output went down by 2 per cent to 813 million tonnes.

India continues to be the 4th largest producer of steel with production increasing from 81.2 million tones to 88.25 million tones during 2014-15 with an installed capacity of 100 million tones. There was no change in the order of top three steel producing nations with China, Japan and the USA retaining their slots in the respective order. A critical point that affected the industry was of fall of demand in China. Oversupply, falling raw material prices and record high exports from China have emerged as a result of the same. This scenario is likely to persist in 2015 with a high impact on the global steel markets.

India continues to be the world's largest producer of sponge iron. The world Direct Reduced Iron (DRI) production in 2014 was 74.55 million tonnes. India produced 17.31 million tonnes compared to 18.10 million tonnes in the previous year, followed by Iran – 14.55 million tones and Saudi Arabia – 6.46 million tonnes. The production continued to decline for the fourth consecutive year since 2011. In 2014, gas based DRI production in India increased by about 20 per cent inspite of continued limited availability of

natural gas. As regards the coal based DRI production, it has come down by about 7.58 per cent as compared to the previous year. Overall there has been a reduction of about 3.60 per cent in the production of DRI in 2014. (Source SIMA)

Although, India has huge deposits of high-grade iron ore, the availability in 2014-15 was limited due to ban on mining in Orissa, Goa and Karnataka. On the other hand, excess supply of iron ore in the international markets made it convenient for sponge iron producers to import their input requirement. Global iron ore prices have declined sharply experiencing six year lows in 2014. India's iron ore imports jumped to a record above 15 million tonnes in the fiscal year as against 367 thousand tonnes imported in 2013-14.

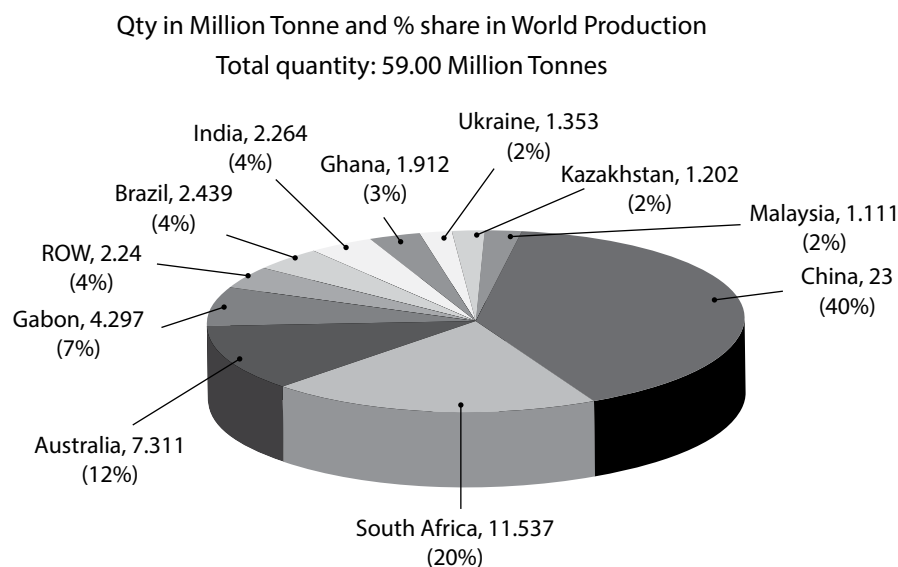
In the Union Budget 2014-15, Customs Duty on ships for breaking was reduced from 5 per cent to 2.5 per cent. This is expected to generate lot of steel melting scrap in the country. Additionally, sluggish demand in big importing countries has softened the international prices of steel melting scrap. These two factors will continue to impact the financial performance of the Indian sponge iron producers.

With expectations of the new government's thrust on jump starting stalled projects initially followed by pushing large flagship projects, including the freight and industrial corridors, it is expected that India will begin moving back on the path of material intensive growth by the end of this year. However, constraint of domestic iron ore availability, consistently large imports at concessional duty from Japan and Korea under CEPA-FTA, as well as rising imports of boron-added steel from China and growing imbalance of global steel supply and demand remain major challenges for the Indian steel industry.

Ferro Alloys

The Indian ferro alloys industry is at cross roads. India's ferro alloy industry, which completed five decades of its existence, is engaged in supplying crucial intermediates to the steel sector. Depending on the process of steel making and the type of steel being made, the requirement of different ferro alloys varies widely. The principle functions of alloying steel is for increasing its resistance to corrosion and oxidation, improving hardness, tensile strength, high temperature properties (such as creep strength), wear and abrasion resistance, etc. Growth of Manganese alloys is directly linked with growth in crude steel. As per industry reports, the Indian Manganese alloy production remains flat.

World Production of Manganese Ore (Year 2014)

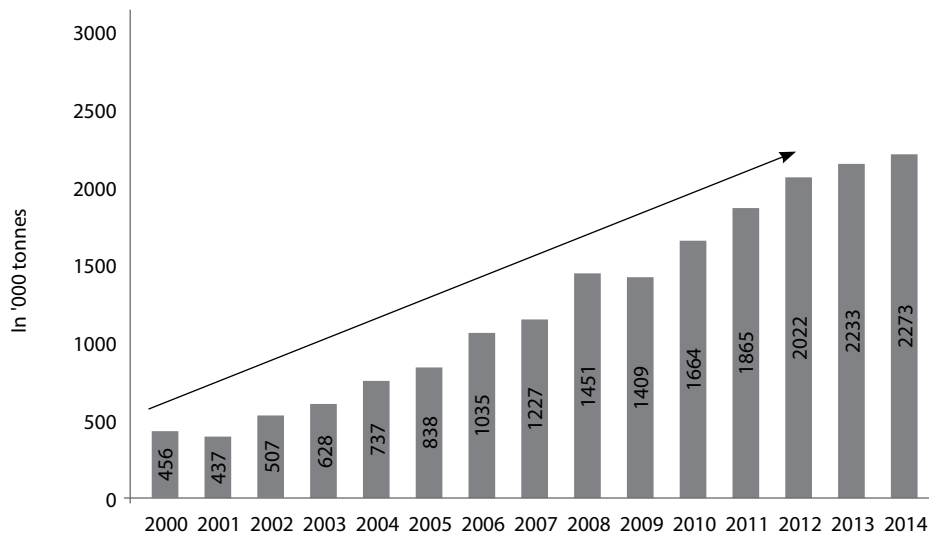


(Source : IMNI)

India's dependence on imports for manganese ore continues to be the main area of concern. India is highly dependent on South Africa, Gabon, Australia and Brazil for sourcing manganese ore. Domestically, MOIL has reduced prices across its products by 20 per cent for silico grade ore and 10 per cent for ferro manganese grade ore. This announcement comes as a relief to

manganese alloy industry, which was hopeful of a price cut, as the alloy market has corrected itself considerably. The industry expects that manganese ore prices would soften further.

Indian Manganese alloy production moving flat



(Source : CRU)

Power is the second most important requirement for bulk ferro alloy production. India has historically suffered from huge power shortages, inefficient power generation & transmission and high cost, partly due to cross subsidies and T&D losses. However, privatization of power generation and power distribution has brought significant improvement in the Indian power situation. While India is still at disadvantage compared with power cost in South Africa and Kazakhstan, the gap between China and South Africa on the one hand and India on the other regarding cost of power and its availability has clearly reduced, making ferro alloy production in India much more sustainable.

Prices of ferro alloys continue to remain under pressure. The export prices of ferro alloys have been established after export incentive cuts by the government. On one hand, Indian producers currently face pressure to sell (export) due to sluggish domestic market conditions. On the other hand, it is reported that overseas buyers have no interest for import of Indian origin material because Indian producers are not price competitive compared to Chinese and other competing countries currently.

In the domestic market, after witnessing a downfall, silico manganese prices are now slightly stable with demand dented as buyers were retreating due to diminishing steel margins. silico manganese producers are clamoring to offload stock. The Indian ferro alloys producers are reportedly cutting down their manganese alloy production and would like to exhaust stocks to enable steady cash flows amid thin price margins. Due to cutting down in production of ferro alloys, prices may increase further in short period.

Factors like proximity to sea ports, low labour cost, skilled technical manpower, China's retreating from export markets, etc. have given the Indian Ferro Alloy Industry immense and very significant growth opportunities in the last decade. However, global and Chinese slow down, cheap steel imports from Japan and Korea, poor duty structure, anti-dumping initiation by EU, smuggled Chinese manganese alloys from Vietnam and huge capacity coming up in Malaysia may affect the ferro alloys industry in India.

Power

Electricity industry in India had an installed capacity of 272 GW as of end March 2015. Renewable energy power plants constituted 28 per cent of total installed capacity and Non-Renewable energy power plants constituted the remaining 72 per cent. During the year 2014-15, the per capita electricity consumption in India was 1010 kWh which is still much lower than the global average consumption.

The woes of the Indian power sector continue. On the front of new capacity addition, the picture continues to look bleak. As per CEA, in the 12th Five Year Plan the target is to add 88,537 MW capacity and till end of Jan'15, capacity added stands at 52,078 MW. In terms of YoY capacity addition, there is a shortfall of 1,254 MW. Even though fuel supplies have improved, for this to percolate down to the power companies and that too in the balance sheets, will take some time, likely around H2 FY16.

Installed power capacity in India

Segment		Capacity (in GW)	
		2013-14	2014-15
Thermal	Coal	145	165
	Gas	22	23
	Diesel	1	1
	Total	168	189
Nuclear		5	6
Renewable	Hydel	41	41
	Other	29	36
	Total	70	77
Grand Total		243	272

(Source : Wikipedia)

With coal mine auctions on the way, supplies are expected to improve but will take some time. The government is trying to revive projects that are stuck and has even announced new UMPPs in the Budget. But given the past track record of UMPP, it will be difficult to find takers of the UMPPs. To conclude, the outlook for immediate future remains a bit dim but by the second half of FY16, some improvement can be expected in this sector.

The government, through the Ministry of Power, has started focusing on low cost generation, optimization of capacity utilization, technology upgrades and utilization of non conventional energy sources; developing the National Grid, achieving distribution reforms by focusing on system upgrades, loss reduction, theft control, protecting consumer interests and making the sector commercially viable; addressing the issues like unmet demand, frequent power cuts, infrastructure bottle-necks, etc.

OPPORTUNITIES AND THREATS

Opportunities

With the government focusing on the development of infrastructural facilities, the demand of steel and power is expected to pick up. In the Union Budget 2015-16, the Finance Minister hiked the investments in infrastructure for the year by ₹ 700 billion as compared to 2014-15. An increase in the investment for roads and railways, infrastructure, etc. will augur well for the steel industry. Low per capita consumption of steel and power in India provides good potential in these sectors to meet the growing demand for infrastructure and growth. These factors include, amongst others, an estimated infrastructure investment of nearly a trillion dollars, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum buoyed by projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana, Rajiv Gandhi Awaas Yojana among others.

Threats

Mining and metals companies are grappling with unprecedented global supply restructuring in the wake of the supercycle. The global mining and metals sector is in the midst of the "super correction" to the super-cycle, with an extended period of lower and volatile commodity prices, resulting in unprecedented impacts on earnings, balance sheets and investor perceptions of the sector. As a result, mining and metals companies remain focused on margin, cash flow and capital returns.

Price and currency volatility continues to wreak havoc with mining and metals businesses. Apart from fierce competition for capital within mining and metals companies, massive budget overruns continue to plague the completion of these capital intensive projects.

SEML, with its manufacturing and infrastructural facilities, low cost production supported by captive power, captive iron ore, strategic location, economic size, prominent position in the market and established global clientele base, foresees a good opportunity for growth in the core area of its operation. The operations at the iron ore mines of the Company resumed after more than 5 years and during the year under review, the company has also started receiving material from its captive mines. The power plant at the Greenfield project at our Vizag facility is operating successfully and the operations at the Ferro alloys plant at the Greenfield project have also stabilized. With low gearing and a strong cash flow, the Company is in a position to take advantage of the opportunities and face the threat emerging in the present economic scenario.

OUTLOOK

The macro economic situation in India has improved significantly during the current year. Also, acceleration in services and manufacturing growth in the face of subdued global demand conditions point to the strengthening of domestic demand. However, concerns surrounding the construction and mining activities in the country still exist. The light of the parameters is generally optimistic and a growth of around 8.5 per cent in 2015-16 is in the realm of possibility.

The Chinese steel demand in 2014 saw negative growth for the first time since 1995 due to the government's rebalancing efforts that had a major impact on the real estate market. This situation is likely to remain unchanged in the short term and Chinese steel use will continue to record negative growth of 0.5 per cent in both 2015 and 2016. The rebalancing of the Chinese economy is inevitable as China enters its next stage of development, but it will take time. In the short term, it has global consequences for the steel industry in terms of trade flows and possible intensification of trade frictions.

The sharp decline in oil prices influenced the forecast, though its impact varies between countries. On the one hand, it has a negative impact on steel demand for infrastructure investments financed from oil revenues; on the other hand it helps business sectors and consumers in oil importing countries, thus creating better growth prospects. As the inflationary pressure subsides, a further relaxation of monetary policy by the Central Banks is possible in countries with high inflation, which will eventually strengthen the recovery of underlying real steel use. As economies adjust to lower oil prices, it may lead to reduced demand for steel in some economies in the short term, but should support economic growth and demand for steel in the medium term.

The developed world showed growth in steel demand of 6.2 per cent in 2014 on the back of strong US fundamentals and a firming EU recovery. However, growth in the developed world is set to moderate in 2015 due not only to the high base effect, but also less favourable steel market environments in the USA, Japan and South Korea. The recovery in the EU, although becoming regionally broader based, is still constrained by weak investment activity and high unemployment. The developing economies (excluding China) posted low growth of 2.3 per cent because of the continued deterioration in the Brazilian and Russian steel markets. Growth momentum in the developing economies is expected to remain generally weak in 2015, however, positive growth is expected in economies such as India, Indonesia, Vietnam and Egypt.

However, SEML believes that with massive spending on infrastructure being lined up and with the Make in India programme, and with the developed infrastructure readily available with Company, the outlook for the sectors in which the Company operates appears to be stable/positive.

RISKS AND CONCERNS

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. As a proactive enterprise, SEML strengthens its systematic approach to its risk management. The Company has formed a Risk Management Committee. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

- **Economic risk**

Your Company is into the commodity industry which is cyclical in nature and this is an inevitable risk.

Risk mitigation

Your Company has significantly reduced the risks arising from erratic demand through integration of its operations backed by captive power plant. Besides, the Company's plants are located in a steel manufacturing belt, making it possible to provide products with speed, timely delivery and relatively high logistic efficiency.

- **Environmental risk**

Your Company is required to ensure that it complies with all applicable environment laws.

Risk mitigation

Your Company has installed proper pollution control equipment of required capacity to ensure that the Company complies with all environment norms. The pollution-control equipment are regularly checked and repaired/replaced to keep discharge of pollutants in the atmosphere well within the permissible limits.

- **Financial risk**

Timely availability of finance for normal operations and capex for projects/expansion has been and will always be a risk to which the Company is exposed.

Risk mitigation

Your Company has very low debt on its books giving it a low gearing ratio. This gives the Company the required cushion for raising required funds and meeting all its obligations on time.

- **Forex risk**

Your Company is importing and exporting goods. As such it is exposed to forex risk.

Risk mitigation

Your Company has substantial imports and exports and as such to a large extent it has a natural hedge available to it. Besides, the Company manages its foreign exchange risk through forward bookings and other avenues. Moreover, during the year, consequent to repayment of the ECB loan, the forex exposure has come down substantially.

- **Input risk**

In the business of steel manufacture, a number of diverse inputs are required to be progressively taken into the next stage. The challenge lies in an ability to procure these intermediate raw materials at the right cost and in the right time.

Risk mitigation

Your Company's integrated business model makes it possible for the end product of one business to be positioned as the raw material of another, creating a self feeding ecosystem within minimal inventory, costing and logistic issues. This integration has strengthened the Company's insulation from external pricing and supply shocks and enhancing input security.

- **Regulatory risk**

Compliance with the ever changing applicable statutes and guidelines, rules and regulations is another risk the Company is exposed to.

Risk mitigation

Your Company is complying with all applicable statutory requirements and also has systems in place to ensure compliance with the regulatory changes, if any.

- Safety risk

Ensure safety of men, materials and machines

Risk mitigation

Your Company has fully equipped dispensary and fire station to cater to any fire/health hazard in the course of its operation.

Internal Auditors express their opinion on the level of risk identified during the audit of particular area which is reported to the Audit Committee through Internal Audit Reports. The Management does not perceive any major risks for your Company in the near future. Your Company has contingent liabilities as disclosed in note no. 37 of the Notes to Financial Statements for the year ended 31st March, 2015.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

Your Company has availed the services of independent professional firm for Internal Audit, which checks the effectiveness of the internal controls with an objective to provide an independent, objective and reasonable assurance of the adequacy and effectiveness of your Company's risk management, control and governance processes. The Audit Committee also seeks the views/opinions of statutory auditors on the adequacy of the internal control systems in your Company. The scope and authority of the Internal Audit activity are approved by the Audit Committee. Internal Auditor reports directly to the Audit Committee of Board. Audit Committee periodically reviews the Internal Audit Reports and issues guidance and advice. Minutes of the Audit Committee are put up to the Board of Directors.

Your Company has a business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required. The Company's Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of your Company and recommends the same to Board for its approval.

Your Company is ISO 9001:2008 certified and has also achieved the ISO 14001:2004 & OHSAS 18001:2007 certifications. This initiative will help your Company to broaden its base on safety/health/environment. Behavior Based Safety (BBS) journey is also in place to eliminate unsafe behavior patterns.

Product wise performance

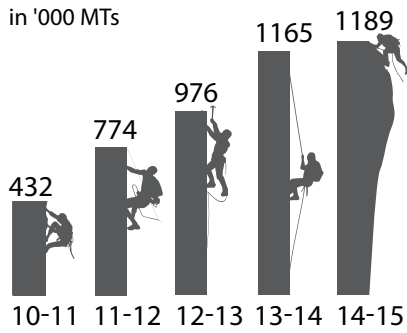
The year 2014-15 witnessed improvement in performance as compared to previous year. The product-wise performance is summarized hereunder:

Product	Production (MTs)		Sales (MTs)		Captive consumption (MTs)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Pellet	5,45,000	5,42,900	2,09,519	1,48,279	3,23,610	3,91,878
Sponge Iron	2,42,993	2,61,739	1,25,549	1,55,176	1,13,062	1,11,389
Steel Billet	1,18,409	1,09,509	32,132	26,492	87,200	83,742
Wire Rod	84,634	82,474	61,050	60,311	23,093	22,748
HB Wire	22,764	22,453	22,625	22,603	-	-
Ferro Alloys	72,448	69,406	76,233	74,538	1,583	1,150
Power (Mn Kwh)	560.39	562.99	39.31	62.66	462.77	500.34
Coal*	11,89,028	11,64,789	-	-	12,66,243	11,23,466
Iron Ore [®]	2,55,121	-	-	-	23,522	-

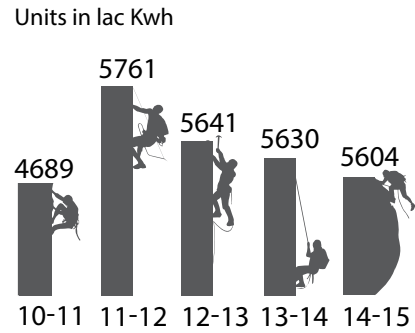
* Pursuant to the order of Hon'ble Supreme Court of India, the coal mine of your Company stands de-allocated w.e.f. 01.04.2015.

Your Company has shifted all major stock from the mine except some quantity of washery rejects. Your company has applied for further extension of time to remove the left out quantity. In case the permission is not granted, the new allottee will sell the quantity and deposit the amount with the government. Your company expects to get the same in course of time.

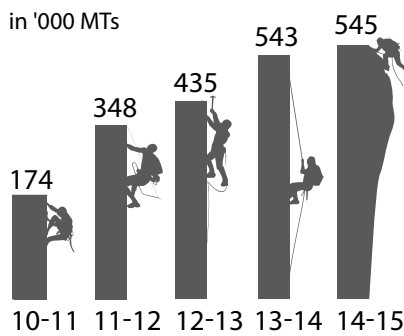
@ The captive iron ore mine operated only for a part of the year.



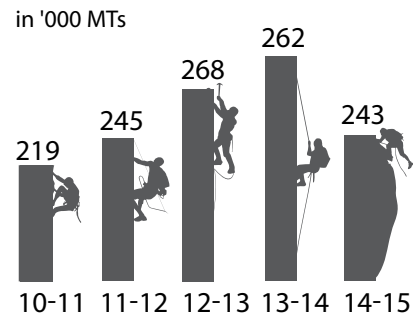
COAL



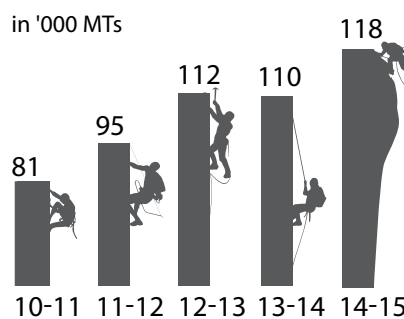
POWER GENERATION



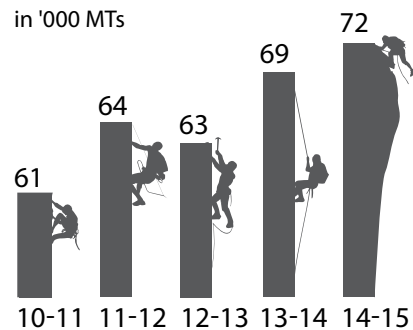
IRON ORE PELLETS



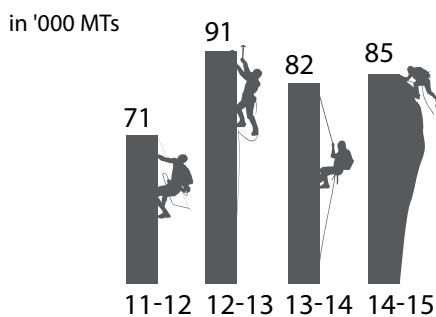
SPONGE IRON



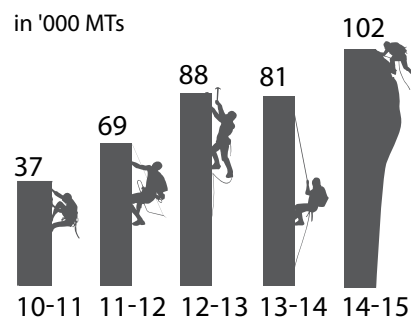
STEEL BILLET



FERRO ALLOYS



WIRE ROD



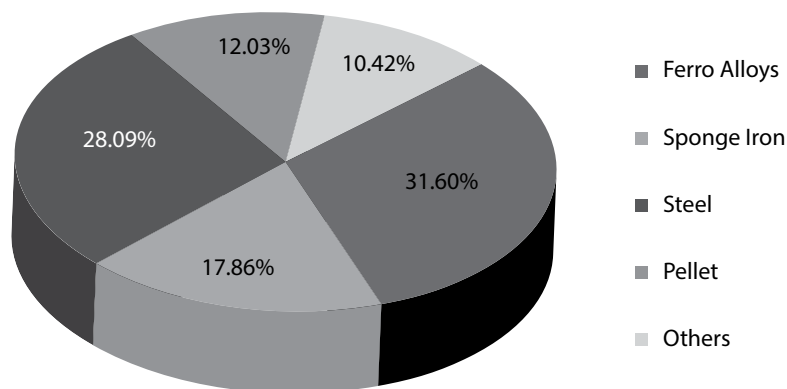
ECO BRICKS

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Turnover

During 2014-15, your Company achieved a turnover of ₹ 1,517 crore on standalone basis as against ₹ 1,396 crore in the previous year. Improved market conditions and better price realisations contributed to the increase in turnover.

Turnover - 2014-15



The breakup of standalone turnover is as under

(₹ in crore)

Product	2014-15	Percent turnover	2013-14	Percent turnover
Ferro alloys	479.36	31.60	440.78	31.58
Sponge iron	271.03	17.86	326.73	23.41
Steel – billets, wire rod & HB wire	426.20	28.09	393.94	28.22
Pellet	182.55	12.03	135.66	9.72
Others (incl. power, coal & Mn ore)	158.00	10.42	98.75	7.07

The consolidated turnover of your Company rose to ₹ 1,903 crore from ₹ 1,720 crore in the previous year. The breakup of the consolidated turnover is as under:

(₹ in crore)

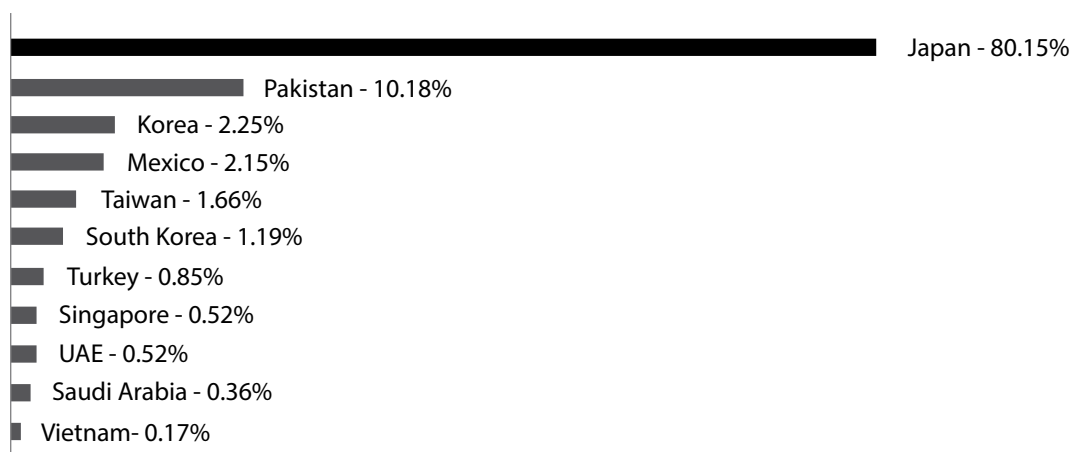
Company	2014-15	2013-14	Product
SEML standalone	1,517	1,396	
Sarda Metals & Alloys Limited	378	315	Thermal Power
Parvatiya Power Limited	6	7	Hydro Power
Raipur Infrastructure Co. Ltd.	2	2	Railway Siding
Total	1,903	1,720	

Exports

During the year, exports of your Company stood at 28,665 mt of ferro alloys as against 31,534 mt in the previous year. The exports were lower because of weak market conditions and currency fluctuations. Japan was the main export destination for the ferro alloys manufactured by your Company, followed by Pakistan and Korea.

During the year under review, your Company received Certificate of Recognition as a Trading House from the Ministry of Commerce and Industry, Government of India.

Country wise exports - 2014-15



Finance cost

Finance cost includes exchange differences to the extent considered as an adjustment to the borrowing costs. The outgo on account of interest went down during the year due to reduction in the exchange differences to be considered as an adjustment to the borrowing cost. This was again on account of less volatility in the exchange rates in current year and also on account of full and final repayment of the foreign exchange loan in the current year.

Depreciation

The depreciation during the year is higher than the previous year on account of change in the useful life of the fixed assets which have been revised in accordance with Schedule II of the Companies Act, 2013 applicable w.e.f. 1st April, 2014. Attention is invited to Note no. 39 of the "Notes to Financial Statements".

Profitability

During the year, the Profit Before Tax was ₹ 82 crore as against ₹ 134 crore in the previous year. The profit reduced because of the charge of additional levy amounting to ₹ 143 crore on the total coal extracted by the Company since the commencement of the mines pursuant to the order of the Hon'ble Supreme Court of India. Of this amount, ₹ 107 crores, being the additional levy on the coal extracted till 31st March, 2014 has been charged off as exceptional item and the balance ₹ 36 crores being the additional levy on the coal extracted during 2014-15 has been included in the mining expenses. Late receipt of permission for disposal of coal middlings and rejects also contributed to lower profits. The Net Profit for the year was ₹ 56 crore as against ₹ 75 crore in the previous year.

Long term borrowings

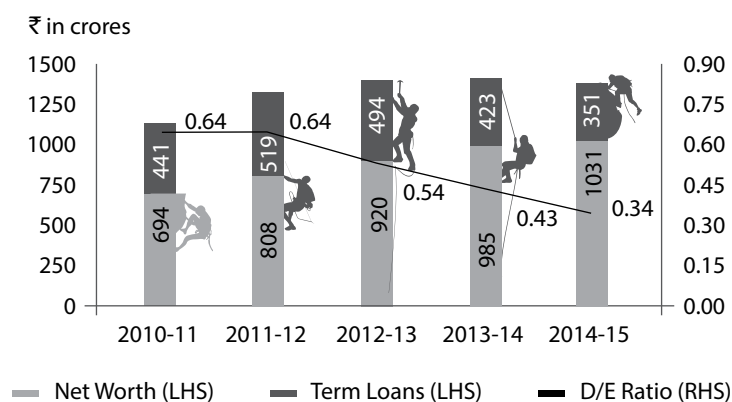
During the year, your Company repaid the final instalment of the ECB Loan amounting to ₹ 101 crore. Your Company also repaid ₹ 129 crore of other term loans availed from the banks/ financial institutions. All the loans and the interest payment commitments were met on time.

During the year, your Company availed fresh term loans amounting to ₹ 86 crore against its Diversification, Modernisation and Expansion projects and ₹ 11 crore as hire purchase loan against equipment and vehicles. As on 31st March, 2015, the long term loans stood at ₹ 351 crore as against ₹ 423 crore in the previous year. The debt equity ratio improved from 0.43:1 to 0.34:1.

Consolidated borrowings stood at ₹ 1,010 crore as against ₹ 1,100 crore in the previous year mainly on account of repayment of ECB loan.

CARE has maintained highest credit rating of CARE A1+ (A one plus) for short term loans (highest) and CARE A+ (Single A plus) for the long term loans.

Debt Equity Ratio



Other long term liabilities include deposits from vendors and long term provisions include provisions for leave encashment, mine restoration and other statutory liabilities.

Short term borrowings

The short term borrowings stood at ₹ 176 crore as against ₹ 205 crore in the previous year. The reduction was mainly due to repayment of Buyers' credit facilities, repayment of short term loan and unsecured loan which was offset to certain extent by increased utilization of working capital facilities.

On a consolidated level, the short-term borrowings came down from ₹ 636 crore in the previous year to ₹ 473 crore in 2014-15 mainly due to repayment of short term loan by SEML Hong Kong Ltd. and SEML and repayment of unsecured loans. There was, however, increased utilization of Buyer's credit and working capital facilities.

Trade payables

Trade payables came down sharply from ₹ 104 crore in the previous year to ₹ 53 crore in the year under review.

Other current liabilities

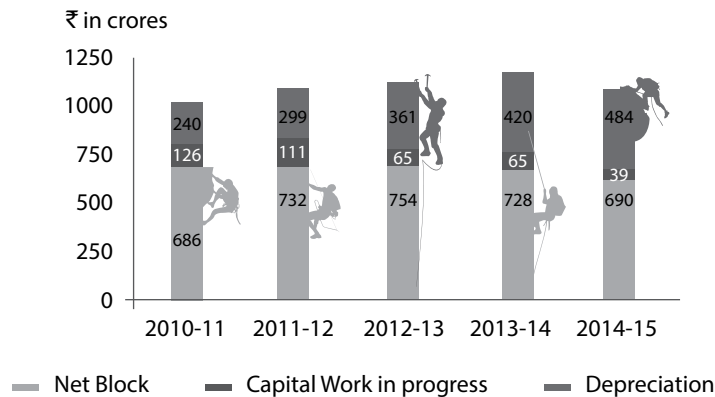
The current maturities of long term debt has gone down from ₹ 166 crore to ₹ 137 crore. However, liability towards expenses has gone up from ₹ 2 crore to ₹ 27 crore mainly on account of additional levy imposed on the coal extracted for the period from 25th September, 2014 which was payable on 30th June, 2015. The same has been paid on due date.

Fixed assets

The gross block remained constant at ₹ 1,213 crore as was in the previous year since the additions during this year were mainly on account of completion of pre-existing Capital work in progress. The net block stood at ₹ 728 crore in the current year as against ₹ 793 crore in the previous year.

Consolidated gross fixed assets went up from ₹ 2,226 crore last year to ₹ 2,330 crore for the year under review mainly on account of project investments made by MBPCL and CHP LLP of ₹ 81 crore and ₹ 37 crore respectively.

Fixed Assets (Standalone)



Non-current investments

During the year, your Company has made further investments of ₹ 39 crore in its subsidiaries and controlled entities mainly in Madhya Bharat Power Corporation Ltd. and Chhattisgarh Hydro Power LLP. Further, shares have been allotted to the Company against all pending share applications except for a small amount of ₹ 5 crore, allotment against which has been done in the year 2015-16. The projects of subsidiaries, namely, CHP LLP and MBPCL are under various stages of execution. The benefits of the investments would flow to your Company in the coming years.

Long term loans & advances

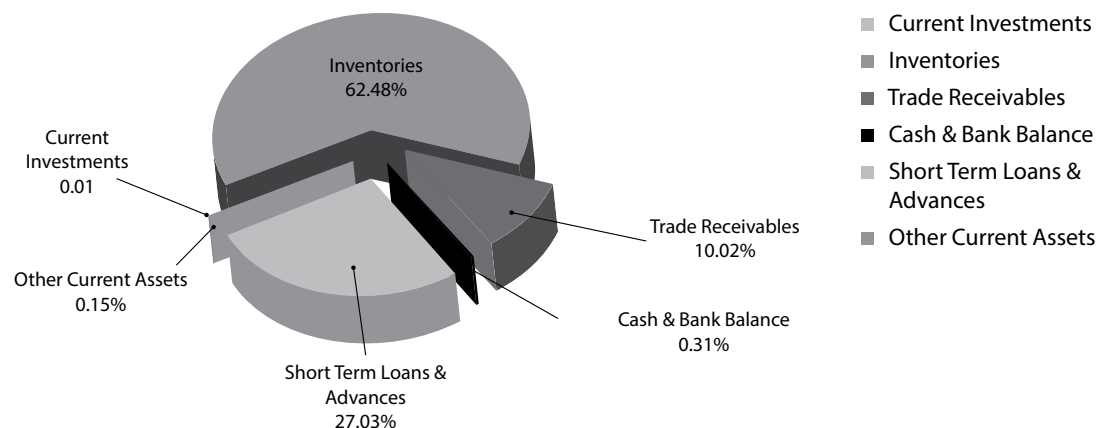
Long term loans and advances went up from ₹ 61 crore to ₹ 64 crore on account of increase in capital advances.

Current assets

(₹ in crore)

Product	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Current investments	0.06	0.26	274.73	568.78
Inventories	335.03	275.51	427.97	284.46
Trade receivables	53.73	49.79	97.30	64.85
Cash & bank balances	1.65	45.72	11.34	102.77
Short term loans and advances	144.94	205.33	321.14	319.06
Other current assets	0.80	1.37	4.62	5.65

Current Assets (Standalone) 2014 -15



The inventories have increased due to the build-up of stock of coal middlings and rejects. It also includes build up of stocks of mineral ores. Receivables have increased marginally and are attributable to increased turnover. Short term loans and advances relate to business advances and have come down as compared to previous year. The other current assets have also come down.

At the consolidated level the current investments have come down mainly due to the unwinding of the investments made in fixed deposits in Sarda Energy & Minerals Hong Kong Ltd. and repayment of the short term borrowings taken for the same. The inventories have increased due to the buildup of the stock of finished goods in SMAL after commissioning of ferro alloys plant apart from coal middlings and rejects (as explained above).

MATERIAL DEVELOPMENTS IN HUMAN RESOURCE/INDUSTRIAL RELATIONS

The growth of an organization depends on effective human resource (HR) planning and management. Strategic HR practice requires a focus on the long term goals of the organization. The Human Resource (HR) practices at your Company are geared towards creating a performance driven organization. Various initiatives have been taken to attract and retain the best talents and minimize attrition. The selection process is based on pre-defined Competency Matrix which helps in self-development and organizational growth.

Your Company has always recognized importance of training of its employees where the objective is to create a learning organization which ensures that employees can effectively perform, gain competitive advantage and seek self-growth. During the year, the average mandays training achieved was 1.8 man-days per employee. During the year, Behavior Based Safety training, Integrated Management system, Skill Development, Corporate Culture for the shop floor employees & knowledge sharing session by seniors were focused more under training and development activities. Our organisation also participated in the Quality Circle Chapter Convention at Bhilai and won the Gold Medal & Excellence award at the National convention held at Pune.

Your organization has been awarded the Integrated Management System (IMS) certificate from ABS Quality Evaluations Inc., which comprises of ISO 14001:2004, OHSAS 18001:2007 & ISO 9001:2008.

A Behavior Based Safety Training (BBS), which was started last year with an objective to inculcate the aspect of safety in human behavior amongst all employees has received good response from all quarters. This program is named as "Sarda Bhai Bandhu Suraksha Abhiyan". Over 80 per cent of the manpower has already attended the BBS training.



BBS Training session for SBU & Dept Heads



Training Session on Microsoft Project

As of 31st March, 2015, the total number of employees was 1,529 as compared to 1,516 in the previous year. The attrition rate was 6.05 per cent as compared to 9.18 per cent in the previous year.

FORWARD LOOKING STATEMENT

Statements in the Management Discussion and Analysis report describing your Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which your Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Corporate Governance Report

1. Company's philosophy on corporate governance

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

- **Transparency:** We believe in dissemination of information on time and in transparent manner.
- **Protecting stakeholders' interest:** As a trustee for various stakeholders, we believe in safeguarding and balancing the interest of all stake holders
- **Integrity and ethics:** We believe in our commitments and strive to set high ethical standards.
- **Corporate and social responsibilities:** We believe in caring for environment and surrounding communities.

Your Company would constantly endeavor to improve these aspects.

2. Board of Directors

2.1. Composition

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

The names and categories of the directors on the board and other relevant information are as under:

Names of the Directors	Category	No. of other Directorships held*	No. of other Board committees member/ Chairman@	No. of Board Meetings attended	Last AGM attended	No. of shares held in the Company
Mr. K.K. Sarda	Promoter Executive	6	-	6	Yes	1309149
Mr. Pankaj Sarda	Promoter/ Wholtime	10	-	5	Yes	691107
Mr. G.D. Mundra	Professional/ Wholtime	9	3	6	Yes	10487
Mrs. Uma Sarda^	Promoter/ Non-executive	2	-	^2	^NA	489425
Mr. Rakesh Mehra	Independent Non-Executive	2	-	4	Yes	5170
Mr. A.K. Basu	Independent Non-Executive	3	-	4	Yes	2000
Mr. P.R. Tripathi	Independent Non-Executive	5	-	5	Yes	Nil
Mr. G.S. Sahni	Independent Non-Executive	6	-	4	Yes	2334
Mr. C.K. Lakshminarayanan	Independent Non-Executive	3	-	5	Yes	7000
Mr. Jitender Balakrishnan	Independent Non-executive	10	-	5	Yes	833

* Excluding directorships in foreign companies

@ In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Sarda Energy & Minerals Ltd.) have been considered

^ appointed director w.e.f. 29th September, 2014

Governance policies

Your Company strives to conduct its business and strengthen relationships in a manner that is dignified, distinctive and responsible. Your Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, your Company has adopted various codes and policies to carry out its duties in an ethical manner. Some of these codes and policies are:

- ✓ Code of Conduct
- ✓ Code of Conduct for Prohibition of Insider Trading
- ✓ Vigil Mechanism and Whistle Blower Policy
- ✓ Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions
- ✓ Corporate Social Responsibility Policy
- ✓ Policy for Selection of Directors and determining Directors Independence
- ✓ Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees
- ✓ Policy for determining Material Subsidiaries

Lead independent director

The Company's Board of Directors has designated Mr. Prabhakar Ram Tripathi, as the Lead Independent Director. The Lead Independent Director's role is as follows:

- ✓ To preside over all meetings of Independent Directors
- ✓ To ensure there is an adequate and timely flow of information to Independent Directors
- ✓ To liaise between the Chairman & Managing Director, the Management and the Independent Directors
- ✓ To preside over meetings of the Board when the Chairman & Managing Director is not present, or where he is an interested party
- ✓ To perform such other duties as may be delegated to the Lead Independent Director by the Board/ Independent Directors

Meetings of independent directors

Your Company's independent directors met once during the year without the presence of executive directors or management personnel. Independent Directors shall hold such meet at least once in every financial year. Such meeting(s) is/are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman & Managing Director.

Code of conduct

Your Company has in place a comprehensive Code of Conduct (the Code) applicable to the all the employees 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 Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Chairman & Managing Director is given below:

"I hereby confirm that the company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors, Senior Management and Employees in respect of the financial year 2014-15.

K.K. Sarda
Chairman & Managing Director"

2.2. Number of board meetings held

Six meetings of the Board of Directors were held during the year ended 31st March, 2015 as given hereunder:

Date of meeting	No. of Directors present
10 th May, 2014	7
30 th June 2014	4
14 th August, 2014	7
29 th September, 2014	9
1 st November, 2014	10
5 th February, 2015	9

2.3. Particulars of directors seeking appointment / reappointment

Particulars of directors seeking appointment / reappointment at the ensuing Annual General Meeting to be held on 28th September, 2015 are given as under

1	Name	Mr. K.K. Sarda	Mr. Pankaj Sarda
2	i) Age	63 years	35 years
	ii) Qualification	B.E. (Mech.)	Industrial Engineering from Nagpur University, Nagpur and Masters from Purdue University, USA.
	iii) Date of appointment	19.12.1978	31.10.2007
3	Experience	More than 40 years industrial experience.	More than 12 years industrial experience
4	Other Directorships/ Partnerships	Chhatisgarh Investments Ltd.	ABS Engineers Pvt. Ltd.
		Sarda Energy Ltd.	Sarda Energy Ltd.
		Sarda Metals & Alloys Ltd.	Madanpur South Coal Co. Ltd. td.
		Madhya Bharat Power Corporation Ltd.	Madhya Bharat Power Corporation Ltd.
		Parvatiya Power Ltd.	Raipur Fabritech Pvt. Ltd.
		Sarda Hydro Power Pvt. Ltd.	Rishabh Mining & Transport Co. Pvt. Ltd.
			Raipur Industrial Gases Pvt. Ltd.
			Sarda Dairy & Food Products Pvt. Ltd.
			Raipur Mega Food Park Pvt. Ltd.
			Sarda Agriculture & Properties Pvt. Ltd.
			Sarda Energy & Minerals Hongkong Ltd.
5	Chairman/ Member of Committees	Sarda Energy & Minerals Ltd. Member of Nomination & Remuneration Committee and CSR Committee.	Sarda Energy & Minerals Ltd. Member of CSR Committee.
		Sarda Metals & Alloys Ltd. Member of Nomination & Remuneration Committee	
		Chhatisgarh Investments Ltd. Member of Nomination & Remuneration Committee and CSR Committee.	
6	Shareholding in the Company	1309149 Equity Shares	691107 Equity Shares
7	Relationship with Directors	Related to Mr. Pankaj Sarda and Mrs. Uma Sarda	Related to Mr. K.K. Sarda and Mrs. Uma Sarda

3. Committees of the Board

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

<u>Audit Committee</u> Mr. A.K. Basu (Chairman) Mr. C.K. Lakshminarayanan Mr. Rakesh Mehra Mr. G.D. Mundra	<u>Nomination & Remuneration Committee</u> Mr. P.R. Tripathi (Chairman) Mr. G.S. Sahni Mr. J. Balakrishnan Mr. K.K. Sarda
<u>Stakeholders' Relationship Committee</u> Mr. J. Balakrishnan (Chairman) Mr. G.D. Mundra	<u>Corporate Social Responsibility Committee</u> Mr. P.R. Tripathi (Chairman) Mr. K.K. Sarda Mr. Pankaj Sarda
<u>Risk Management Committee</u> Mr. K.K. Sarda (Chairman) Mr. Pankaj Sarda Mr. G.D. Mundra Mr. P.K. Jain (CFO) Mr. Asish Roy (President)	

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

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

Board Committees	Audit Committee	Nomination & Remuneration Committee@	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Meetings held	4	2	12	2	1
Attendance:					
Mr. K.K. Sarda	NA	@1	NA	2	1
Mr. Pankaj Sarda	NA	NA	NA	2	1
Mrs. Uma Sarda	NA	NA	NA	NA	NA
Mr. G.D. Mundra	4	NA	12	NA	1
Mr. A.K. Basu*	3	NA	*3	NA	NA
Mr. C.K. Lakshminarayanan	4	NA	NA	NA	NA
Mr. G.S. Sahni	NA	@1	NA	NA	NA
Mr. J. Balakrishnan*	NA	2	*9	NA	NA
Mr. P. R. Tripathi	NA	2	NA	2	NA
Mr. Rakesh Mehra	3	@-	NA	NA	NA

@ Nomination & Remuneration Committee reconstituted w.e.f. 14.08.2014. One meeting was held till 14.08.2014 and one meeting was held after 14.08.2014

* Stakeholders' Relationship Committee reconstituted w.e.f. 14.08.2014. Three meetings were held till 14.08.2014 and nine meetings were held after 14.08.2014

3.3 Procedure at Committee Meetings

The Company's guidelines 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 in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board 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 Clause 49 of the Listing Agreement.

Nomination & Remuneration Committee

The Nomination Committee is responsible for:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- 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 their appointment and removal.
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme

Remuneration policy: Your Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure C to the Directors' Report. Your 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. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors. The criteria for performance evaluation is annexure as Annexure B to the Director's Report.

The Executive Directors have been paid remuneration as per terms of their appointment. The Non-Executive Directors have been paid sitting fees for meetings of the Board and/or Committees attended by them. Also, pursuant to the approval of members, Non-Executive Independent Directors have been paid commission on the net profits of your Company for the year 2014-15.

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

(₹ in lac)

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Commission	Total	Stock Options granted*
Mr. K.K. Sarda	72.00	17.71	9.64	200.00	299.35	-
Mr. Pankaj Sarda	47.99	0.29	3.88	-	52.16	-
Mr. G.D. Mundra	30.55	1.04	3.05	-	34.64	-

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

* No stock options were granted during the year.

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

(₹ in lac)

Name of the Director	Sitting fees	Commission	Total
Mr. A.K. Basu	1.20	3.00	4.20
Mr. C.K. Lakshminarayanan	1.40	3.00	4.40
Mr. G.S. Sahni	0.80	3.00	3.80
Mr. J. Balakrishnan	1.90	1.00	2.90
Mr. P.R. Tripathi	1.40	1.00	2.40
Mr. Rakesh Mehra	1.20	1.00	2.20
Mrs. Uma Sarda	0.40	0.00	0.40

Stakeholders' Relationship Committee

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

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

The number of complaints received during the year	:	10 complaints were received which were attended in time. Apart from the above, requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were also received and were attended promptly.
The number of complaints not solved to the satisfaction of shareholders	:	NIL
Number of pending complaints	:	No complaint was pending for redressal as on 31 st March 2015.

Corporate Social Responsibility Committee

The role of the Committee is to:

- formulate and recommend to the Board, suitable Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by your Company in terms of Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- delegating powers for approving CSR spend within the framework of CSR policy; and
- monitor the Corporate Social Responsibility spending of your Company from time to time.

Risk Management Committee

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

4. General Body Meetings

The venue, date and time of the last three Annual General Meetings and the details of Special Resolutions passed thereat are as under:

Date	Time	Location	Special Resolution Passed
29 th September, 2014	11.00 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	To enter into sale/ purchase contracts / arrangements with M/s. Sarda Metals & Alloys Ltd., Wholly Owned Subsidiary, subject to annual limit of ₹ 500 crore.
28 th September, 2013	2.30 p.m.	73-A, Central Avenue, Nagpur - 440018	No Special Resolution was passed in the meeting
29 th September, 2012	2.30 p.m.	73-A, Central Avenue, Nagpur - 440018	No Special Resolution was passed in the meeting

Special Resolution(s) passed through Postal Ballot

During the year, the members of the Company have approved

- Borrowings by the Company for an amount not exceeding paid up capital plus free reserves plus ₹ 2,000 crore
 - Creation of charges on the assets/properties of the Company for borrowings not exceeding paid up capital plus free reserves plus ₹ 2,000 crore
 - adoption of new set of Articles of Association
- by passing Special Resolutions through postal ballot effective March 27, 2015.

The Board had appointed Ms. Deepmala Mall, Practicing Company Secretary of M/s. S.G. Kankani & Associates, Raipur as scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolutions passed through postal ballot was as under:

Special Resolution for authorising Board to borrow, together with the money already borrowed, upto a sum not exceeding a sum equal to paid up equity capital plus free reserves plus ₹ 2000 crores at any point of time:

Promoter/ Public	No. of Shares held (1)	No. of votes polled (2)	% of Votes polled on outstanding shares (3) = [(2)/(1)] *100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter & Promoter Group	25648358	22806717	88.92	22806717	0	100.00	0.00
Public - Institutional Holders	2530059	1231944	48.69	1231944	0	100.00	0.00
Public - Others	7773936	39832	0.51	36528	3304	91.71	8.29
Total	35952353	24078493	66.97	24075189	3304	99.99	0.01

After excluding 650 votes of 6 shareholders declared invalid

Special Resolution authorizing the Board to create security on its immovable/movable properties, assets of the Company, upto an aggregate limit of paid up equity share capital plus free reserves plus ₹ 2000 crores in favour of its lenders:

Promoter/ Public	No. of Shares held (1)	No. of votes polled (2)	% of Votes polled on outstanding shares (3) = [(2)/(1)] *100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter & Promoter Group	25648358	22806717	88.92	22806717	0	100.00	0.00
Public - Institutional Holders	2530059	1231944	48.69	1231944	0	100.00	0.00
Public - Others	7773936	38166	0.49	34332	3834	89.95	10.05
Total	35952353	24076827	66.97	24072993	3834	99.98	0.02

After excluding 2366 votes of 18 shareholders declared invalid

Special Resolution for adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013

Promoter/ Public	No. of Shares held (1)	No. of votes polled (2)	% of Votes polled on outstanding shares (3) = [(2)/(1)] *100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]* 100	% of Votes against on votes polled (7) = [(5)/(2)]* 100
Promoter & Promoter Group	25648358	22806717	88.92	22806717	0	100.00	0.00

Public - Institutional Holders	2530059	1231944	48.69	1231944	0	100.00	0.00
Public - Others	7773936	38566	0.50	35546	3020	92.17	7.83
Total	35952353	24077227	66.97	24074207	3020	99.99	0.01
<i>After excluding 2566 votes of 21 shareholders declared invalid</i>							

No Special Resolution is proposed to be passed at the ensuing general meeting.

5. Disclosure

Related Party Transactions

During the period under review, the Company had not entered into any material transaction with any of its related parties.

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

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on considerations of various business exigencies, 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.

Details of non-compliance by the Company, penalties, 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, there was no non-compliance by the Company and no penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. Your Company has applied for delisting of its shares from Cochin, Delhi and Calcutta Stock Exchanges in February 2004. The Cochin and Delhi Stock Exchange have delisted the shares of the Company but the delisting application with the Calcutta Stock Exchange is still pending. In view of the pendency of delisting application, the Company has stopped sending the information to the Calcutta Stock Exchange and has also reported the matter to SEBI.

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.

Compliance

The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and has also adopted the non-mandatory clause of having unqualified financial statements and the Internal Auditor reporting directly to the Audit Committee.

6. Means of communication

Quarterly, half-yearly and annual results are submitted to the stock exchange in accordance with the Listing Agreement and published in Indian Express (English) and Loksatta (vernacular) newspapers. The financial results and other relevant information including operational data are placed simultaneously on your Company's website - www.seml.co.in. Neither official news releases nor any presentations have been made to the institutional investors or to the analysts during the year.

7. General shareholder information

Annual General Meeting	: Date: 28 th September, 2015 Time: 3.00 p.m Venue: Hotel Pride, Opp. Airport, Wardha Road, Nagpur (M.H.) 440025
Financial calendar for 2015-16 (tentative)	
Financial results for the quarters ended:	
30 th June, 2015	: 2 nd week of August, 2015
30 th September, 2015	: 4 th week of October, 2015
31 st December, 2015	: 4 th week of January, 2016
31 st March, 2016	: 4 th week of May, 2016 (audited)
Annual General Meeting (for F.Y. 2015-16)	: September, 2016
Book Closure Date	: 10 th August, 2015 to 14 th August, 2015 (both days inclusive)
Dividend payment date	: Within 5 days from 28 th September, 2015
Listing on stock exchanges	:
Equity shares	The shares of the Company are listed on the following exchanges: i. BSE Ltd., Mumbai (504614) ii. The National Stock Exchange of India Ltd., Mumbai (SARDAEN) iii. The Calcutta Stock Exchange Association Ltd.* ISIN no. NSDL & CDSL - INE385C01013 *The Company's application for delisting of its shares from the Calcutta Stock Exchange Association Ltd is pending and the matter has been reported to SEBI.
Non-convertible debentures	: The 9.55% non-convertible debentures of your company are listed on the BSE Limited, Mumbai.
	Particulars
	9.55% NCDs
	Market Lot 1
	Scrip Code 946886
	Scrip ID on Bolt System SEML26JUL10
	ISIN Number INE385C07028
	Credit Rating CARE A+
	Your Company has paid annual listing fees to the BSE Ltd. for equity shares and the NCD's and to The National Stock Exchange of India Ltd. for the equity shares for the financial year 2015-16.
Trustees for NCDs (9.55%)	: Axis Trustee Services Ltd. Axis House, 2 nd Floor Wadia International Centre Pandurang Budhkar Marg Worli, Mumbai 400025
Registrar and share transfer agents (for physical and electronic) (for equity shares and NCD)	: Sharepro Services (India) Pvt. Ltd. 13 A-B, Sam Hita Warehousing Complex Warehouse No.52 & 53, Plot No.13AB 2 nd Floor, Sakinaka Mumbai 400 072
Share transfer system	: Share transfers in physical form can be lodged with the R&T agents at the above address. Transfers are, if the documents are complete in all respects, processed within the stipulated time. All share transfer requests are approved by the Stakeholders' Relationship Committee or the persons authorised by the Board

Shareholding pattern as on 31st March, 2015

Sl. No.	Category	No. of shares	Percentage
1.	Promoters	2,56,48,079	71.34%
2.	Banks/mutual funds/financial institutions	24,75,977	6.89%
3.	Foreign Institutional Investors/companies	76,750	0.21%
4.	Bodies Corporate	39,19,403	10.90%
5.	Others	38,32,144	10.66%
Total		3,59,52,353	100.00%

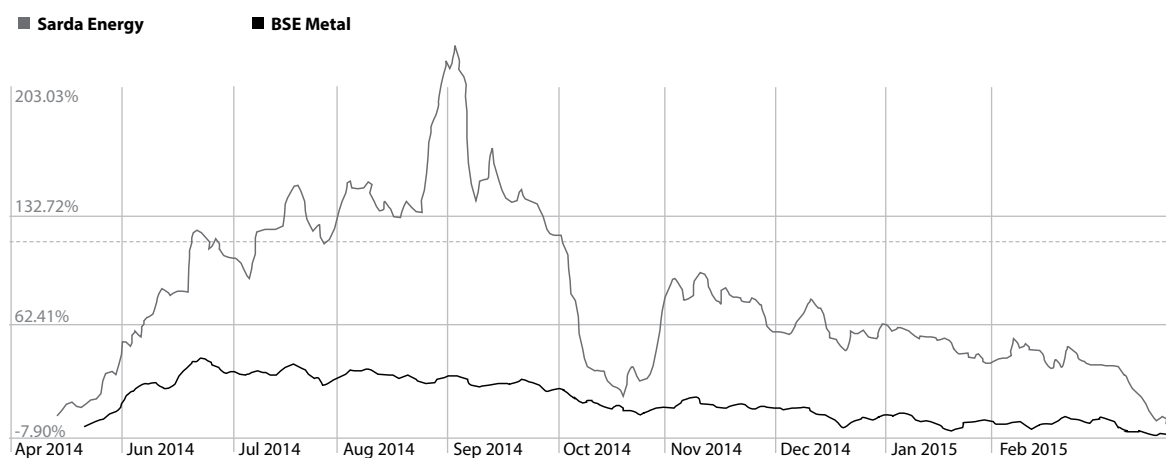
Distribution of shareholding as on 31st March, 2015

Shareholding of nominal value (₹)	Shareholders		No. of Shares	
	Number	% to total	₹	% to total
Up to 5,000	12716	91.57	14,15,952	3.94
5,001 – 10,000	528	3.80	4,13,924	1.15
10,001 – 20,000	289	2.08	4,35,888	1.21
20,001 – 30,000	111	0.80	2,85,866	0.80
30,001 – 40,000	42	0.30	1,47,628	0.41
40,001 – 50,000	33	0.24	1,52,083	0.42
50,001 – 1,00,000	78	0.56	5,72,217	1.59
1,00,001 and above	90	0.65	3,25,28,795	90.48
Total	13,887	100.00	3,59,52,353	100.00

Market price data: High/low during the year 2014-15

Month	SEML on the BSE (in ₹)		SEML on the NSE (in ₹)	
	High	Low	High	Low
Apr 2014	156.00	108.55	151.45	107.70
May 2014	233.80	137.00	233.90	136.00
Jun 2014	280.00	208.00	279.00	210.65
Jul 2014	307.15	246.45	308.80	244.80
Aug 2014	402.60	262.10	404.80	261.85
Sep 2014	332.70	157.00	333.75	156.25
Oct 2014	242.95	142.50	242.90	142.85
Nov 2014	246.60	186.35	246.65	184.90
Dec 2014	234.00	169.00	234.90	166.00
Jan 2015	201.00	165.60	201.00	165.15
Feb 2015	197.70	165.00	198.00	165.10
Mar 2015	177.30	115.40	178.00	116.00

Comparison of SEML share price movements with BSE Metal Index



Dematerialisation of securities : Your Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialisation of equity shares. As on 31st March, 2015, out of the total 3,59,52,353 equity shares held by about 13,887 (PY 13,810) shareholders, approximately 3,54,47,763 (PY 3,53,32,071) equity shares held by 9,556 (PY 9,490) shareholders representing 98.59% (PY 98.56%) of the total paid-up equity capital have been dematerialised.

Debentures are also held in dematerialised form.

Plant location : The plant of your Company is located at Industrial Growth Centre, Siltara, Raipur (C.G).

Address for correspondence : Sarda Energy & Minerals Limited

Regd. Office:
73-A, Central Avenue, Nagpur (M.H.)
Ph: +91-771-2722407
Fax: +91-771-2722107
e-mail: nagpur@seml.co.in

Works:
Industrial Growth Centre, Siltara
Raipur [C.G.] 493 111
Ph: +91-771-2216100
Fax: +91-771-2216198
e-mail: info@seml.co.in

CERTIFICATE

To the Members of
Sarda Energy & Minerals Limited

We have examined the compliance of conditions of Corporate Governance by Sarda Energy & Minerals Limited, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

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

(Sanjay Singhania)
Partner
M.No.076961

Raipur, 25th July, 2015

Independent Auditors' Report

To the Members of
Sarda Energy & Minerals Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Sarda Energy & Minerals Limited** ("the Company") which comprise the balance sheet as at 31st March 2015, the statement of profit and loss, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Note no.41 which describes the uncertainty related to compensation amount and exclusion of washary from the mine infrastructure cost of cancelled coal block of the company for which the company has filed writ petition in the court of law. Since the matter is subjudice, pending settlement of claim, no adjustment has been made for impairment.
- b) Similarly note no.33 which also describes uncertainty related to investments in Joint Venture Company where the allotted coal block has been cancelled. No impairment loss has been booked in anticipation that the realizable value of the assets of the JV shall be more than the value of investment of the company.
- c) Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.
Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements.
 - (ii) In our opinion and according to the explanations given to us, the Company has not entered into any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 23rd May, 2015

Annexure to the Independent Auditors ' Report

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all major assets except certain low value items viz. furniture, fixtures and office equipments have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of the verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records of the Company, we are of the opinion that, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has granted unsecured loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013 during the year. As explained to us the principal amounts are repayable on demand, whereas the interest is payable annually at the discretion of the Company.
- (b) As explained to us, there was no overdue amount in respect of loan granted.
- (iv) In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records, have been made and maintained. We have, however, not made a detailed examination of the records.
- (vii) (a) According to the information & explanations given to us, during the year the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess which have not been deposited on account of any dispute except the cases given below:

Name of the Statute	Nature of the Dues	Amount (₹ in lac)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	20.56	July 1987 to Oct 1988	High Court
Central Excise Act, 1944	Excise Duty	6.50	Jan 2005 to Mar 2007	Customs Excise & Service Tax
	Penalty	2.00		Appellate Tribunal
Central Excise Act, 1944	Excise Duty	78.48	April 2007 to July 2009	Customs Excise & Service Tax
	Penalty	83.48		Appellate Tribunal
Central Excise Act, 1944	Excise Duty	3.33	2004-05 &	Customs Excise & Service Tax
	Penalty	3.33	2006-07	Appellate Tribunal
	Penalty	6.98	2006-07	
Central Excise Act, 1944	Excise Duty	16.96	Jan 2005 to	Customs Excise & Service Tax
	Penalty	16.96	May 2007	Appellate Tribunal
Central Excise Act, 1944	Excise Duty	0.01	Dec 2006 to	Customs Excise & Service Tax
	Penalty	0.86	March 2007	Appellate Tribunal
Central Excise Act, 1944	Excise Duty	17.49	2007-08	Customs Excise & Service Tax
	Penalty	17.49		Appellate Tribunal
Central Excise Act, 1944	Excise Duty	1.92	2011-12	Customs Excise & Service Tax
				Appellate Tribunal
Central Excise Act, 1944	Excise Duty	9.74	1 st Mar 2011 to	Customs Excise & Service Tax
			23 rd Mar 2011	Appellate Tribunal
Central Excise Act, 1944	Excise Duty	7.62	Mar 1989 to Aug 1989	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	29.95	2008 to Aug 2012	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty	11.61	Sept 2012 to Aug 2013	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	46.58	A.Y. 2012-13	CIT (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.	124.81	1992-93 to 2008-09	Appellate Authorities upto Commissioner's level
Finance Act 1994	Service Tax	15.55	2005-06	Customs Excise & Service Tax
	Penalty	15.55		Appellate Tribunal
Finance Act 1994	Penalty on Service Tax	51.99	2007-08	Customs Excise & Service Tax
		0.87	Dec 2006 to Mar 2007	Appellate Tribunal
Chhatisgarh Upkar Adhiniyam 1981	Energy Development Cess	3,933.80	May 2006 to Feb 2014	Supreme Court

(c) According to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.

(viii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

(ix) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks, financial institution and debenture holders.

(x) According to the information and explanations given to us, the Company has given corporate guarantees for loans taken by others from banks/ financial institutions, the terms and conditions of which in our opinion are not prima facie prejudicial to the interest of the Company.

- (xi) In our opinion, the term loans have been applied progressively for the purpose for which the loans were obtained.
- (xii) Based on our audit procedure and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 23rd May, 2015

Balance Sheet

as at 31st March 2015

Particulars	Note	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	3,595.24	3,585.00
Reserves and surplus	4	99,535.05	94,907.95
		1,03,130.29	98,492.95
2. Non-current liabilities			
Long-term borrowings	5	21,439.41	25,673.11
Deferred tax liabilities (Net)	6	7,013.80	6,698.41
Other long term liabilities	7	362.19	340.87
Long-term provisions	8	3,248.48	2,769.32
		32,063.88	35,481.71
3. Current liabilities			
Short-term borrowings	9	17,633.45	20,503.20
Trade payables		5,301.38	10,398.92
Other current liabilities	10	19,013.99	19,081.42
Short-term provisions	11	845.60	479.94
		42,794.42	50,463.48
Total		1,77,988.59	1,84,438.14
II. ASSETS			
Non-current assets			
1. Fixed assets	12		
Tangible assets		64,944.00	68,609.09
Intangible assets		4,019.27	4,168.80
Capital work-in-progress		3,840.47	6,503.04
Intangible assets under development		37.37	36.35
		72,841.11	79,317.28
Non-current investments	13	45,084.64	41,211.79
Long-term loans and advances	14	6,436.12	6,082.85
Other non-current assets	15	6.08	28.05
		1,24,367.95	1,26,639.97
2. Current assets			
Current investments	16	6.09	25.61
Inventories	17	33,502.74	27,551.15
Trade receivables	18	5,372.58	4,979.43
Cash and bank balances	19	165.38	4,571.75
Short-term loans and advances	20	14,493.67	20,532.80
Other current assets	21	80.18	137.43
		53,620.64	57,798.17
Total		1,77,988.59	1,84,438.14

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Statement of Profit & Loss

for the year ended 31st March 2015

	Particulars	Note	2014-15 ₹ in lac	2013-14 ₹ in lac
I.	Revenue from operations (Gross)	22	1,51,714.31	1,39,585.79
	Less: Excise duty		13,794.86	12,534.42
	Revenue from operations (Net)		1,37,919.45	1,27,051.37
II.	Other income	23	3,927.10	3,465.18
III.	Total revenue (I + II)		1,41,846.55	1,30,516.55
IV.	Expenses:			
	Cost of materials consumed	24	65,344.18	61,676.63
	Purchases of stock-in-trade		5,065.05	9,034.02
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(6,996.55)	(3,442.23)
	Employee benefits expense	26	5,946.53	5,319.82
	Finance costs	27	5,886.12	6,300.86
	Depreciation and amortisation expense	28	6,759.46	6,321.69
	Other expenses	29	38,961.96	31,630.42
	Total expenses		1,20,966.75	1,16,841.21
V.	Profit before Exceptional items and Tax (III - IV)		20,879.80	13,675.34
VI.	Exceptional items		12,633.66	248.21
VII.	Profit Before Tax (V - VI)		8,246.14	13,427.13
VIII.	Tax expense:			
	1. Current tax		2,347.19	3,521.49
	2. Deferred tax		315.39	857.12
	3. Deferred tax related to prior period		-	1,510.26
IX.	Profit for the period (VII - VIII)		5,583.56	7,538.26
X.	Earnings per equity share	30		
	Basic (Before prior period and exceptional items)		15.55	25.24
	Basic (After prior period and exceptional items)		15.52	21.03
	Diluted (Before prior period and exceptional items)		15.55	25.24
	Diluted (After prior period and exceptional items)		15.52	21.03

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

For O. P. Singhania & Co.
Chartered Accountants
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Sanjay Singhania
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Managing Director
DIN: 00008170

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Cash Flow Statement

for the year ended 31st March 2015

Particulars	2014-15 ₹ in lac	2013-14 ₹ in lac
A. Cash flow from operating activities :		
Net profit before tax as per statement of profit & loss	8,246.14	13,427.13
<u>Adjusted for:</u>		
Depreciation	6,759.46	6,321.68
Interest income	(2,557.77)	(1,657.52)
Finance costs	5,886.13	5,497.20
Unrealised exchange (Gain)/Loss	7.72	179.20
Employee Stock Option Amortisation	(0.70)	4.67
Dividend income	(1,182.53)	(1,688.25)
(Profit) / Loss on sale of investments	(13.88)	(4.04)
(Profit) / Loss on sale of fixed assets	204.25	72.64
Exceptional Expenses on project assets written off	1,878.33	-
	10,981.01	8,725.58
Operating profit before working capital changes	19,227.15	22,152.71
<u>Adjusted for :</u>		
Increase in trade & other payables	(1,393.06)	2,533.32
(Increase)/decrease in inventories	(5,951.59)	(5,552.25)
(Increase)/decrease in trade and other receivable	(381.71)	1,229.83
(Increase)/decrease in loans, advances & other current assets	3,473.43	(3,405.73)
	(4,252.93)	(5,194.83)
Cash generated from operations	14,974.22	16,957.88
Direct taxes (net)	(2,148.55)	(3,083.25)
Net cash from operating activities	12,825.67	13,874.63
B. Cash flow from investing activities :		
Investment in fixed assets including Capital WIP	(2,168.07)	(3,010.15)
Sale of fixed assets	131.43	149.49
(Increase)/decrease in investments	(3,853.33)	(986.67)
Profit on sale of investments	13.88	4.04
Loan given to subsidiary and other parties	1,847.81	327.09
Interest received	2,557.77	1,657.52
Dividend received	1,182.53	2,773.84
Net cash from/used in investing activities	(287.98)	915.16
C. Cash flow from financing activities :		
Proceeds from fresh issue of shares	132.24	-
Proceeds from long term borrowings	9,630.08	7,500.00
Repayment of long term borrowings	(16,809.53)	(15,372.34)
Short term borrowings (net)	(2,873.79)	3,580.09
Interest paid	(5,950.01)	(5,577.58)
Dividend & dividend tax paid	(1,077.78)	(1,075.50)
Net cash used in financing activities	(16,948.79)	(10,945.33)
Increase in cash and cash equivalents (A+B+C)	(4,411.11)	3,844.46
Cash and cash equivalent at the beginning of the year (as per note 19)	4,522.28	677.82
Cash and cash equivalent at the end of the year (as per note 19)	111.17	4,522.28
Increase in cash and cash equivalent	(4,411.11)	3,844.46

Cash Flow Statement

for the year ended 31st March 2015 (contd..)

Notes:		
(a) Cash and cash equivalent include the following :		
Cash in hand	35.02	32.07
Balances with banks	130.36	4,539.68
Less : Unclaimed dividend	(54.21)	(49.47)
	111.17	4,522.28
(b) Previous year figures have been recast/restated wherever necessary.		
(c) Figures in brackets represent outflows.		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Notes to Financial Statements

for the year ended 31st March 2015

Significant accounting policies:

1. Nature of Operation

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 Star Export House Status. The manufacturing facilities are backed by captive thermal power plant. The Company has also promoted hydro power projects through SPVs.

2. Basis of Preparation

a) Accounting convention

These financial statements have been prepared under historical cost convention from books of accounts maintained on an accrual basis (unless otherwise stated hereinafter) in conformity with accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Sec 129 & 133 of the Companies Act, 2013, of India. The accounting policies applied by the Company are consistent with those used in previous year.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c) Current and Non-current classification

An asset or a liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realized / due to be settled within twelve months after the reporting date;
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

2.1 Summary of significant accounting policies

a) Fixed assets

Tangible

Tangible assets are stated at cost, net of recoverable taxes less accumulated depreciation / amortization and impairment losses if any. Cost comprises purchase price and any attributable costs of bringing the asset to its working condition for its intended use.

All costs, including administrative, financing and general overhead expenses, as are specifically attributable to construction of a project or to the acquisition of a fixed asset or bringing it to its working condition, is included as part of the cost of construction of project or as a part of the cost of fixed asset, till commencement of commercial production. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized as aforementioned.

Subsequent expenditure related to an item of tangible assets is added to its book value only, if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

The Ministry of Corporate Affairs (MCA) has issued Companies (Accounting Standards) Amendment Rules 2011 dated 29th December 2011 for amendment in the Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", to allow companies deferral/ capitalization of exchange differences arising on long-term foreign currency monetary items. The Company has opted to avail the option provided in the said Rules. Consequently, the exchange differences arising on long term foreign currency monetary items, related to acquisition of a fixed asset, are capitalized and depreciated / amortized over the remaining useful life of the respective assets.

Intangible

Intangible assets are carried at its cost, less accumulated amortization and impairment losses, if any. All costs, including financing costs relating to development of intangible assets which takes substantial period of time to get ready for its intended use are also included to the extent they are incurred, till commencement of commercial production.

Expenditure on exploration, prospecting and evaluation of minerals / other projects is recognized as intangible assets under development. The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether future economic benefits are likely from future exploitation. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in Statement of profit and loss in the period when the new information becomes available.

Capital work in progress

Projects / fixed assets under installation including other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable cost. Advances for capital work in progress are shown under Non Current Assets.

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.

b) Lease

The Company has entered into various operating lease agreements for premises (residential, office and godown). These lease agreements are cancellable in nature and range between 11 months to 3 years and are usually renewable by mutual consent on mutually agreed terms. The aggregate rentals on accrual basis under such agreement have been charged to Statement of Profit and Loss under the head rent, rates and taxes in Other Expenses.

c) Impairment of fixed assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists based on internal or external factors, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

d) Depreciation / Amortization

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

Mining Rights and expenditure incurred on development of mines are amortized over useful life of the mines or lease period whichever is shorter.

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.

Intangible Assets are amortized over technically useful life of the asset.

e) Investments

Trade Investments are investments made to enhance the Company's business interests. Investments are classified either as current or long-term based on Management's intention at the time of purchase.

Other Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried at the lower of cost and fair value determined by category of investment. Long-term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

f) Valuation of inventories

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

g) Advance stripping costs

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

h) Mines restoration expenses

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

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

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

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

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

i) Borrowing cost

Borrowing cost includes interest, commitment charges on bank borrowings, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. The amount of borrowing costs eligible for capitalization is determined in accordance with Accounting Standard 16 "Borrowing Costs". Other borrowing costs are recognized as an expense in the period in which they are incurred.

In accordance with Accounting Standard 16, exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are recognized as borrowing costs, and are capitalized as part of the cost of fixed assets if they are directly attributable to their acquisition or charged to Statement of Profit and Loss.

j) Employee benefits

- i) Retirement benefits in the form of Provident Fund contribution to the Statutory Provident Fund and superannuation fund are defined contribution schemes and the payments are charged to the Statement of Profit and Loss of the year when the payments to the respective funds are due.
- ii) Retirement benefits in the form of Gratuity is a defined benefit obligation and is covered under group gratuity scheme. The Company contributes the ascertained gratuity liability to the approved Gratuity Trust which is charged to revenue on accrual basis. Gratuity Liability at each balance sheet date is ascertained on Actuarial Valuation basis using projected unit credit method. Actuarial gains/losses are immediately taken to Statement of Profit and Loss and are not deferred.
- iii) The liability for encashable leaves /compensated absences outstanding as on reporting date is provided based on the salary prevailing on reporting date.
- iv) Employee Stock Option Scheme(ESOS)
Stock options granted to the employees under the stock options schemes are accounted at intrinsic value as per the accounting treatment prescribed by the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('Guidelines') and guidance note on Employee share based payments

issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, of underlying equity shares as on the date of the grant (market value), over the exercise price of the options is recognised as deferred stock compensation expense and is charged to statement of profit and loss on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under shareholders' funds.

k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized, when all the significant risks and rewards of ownership of the goods is passed to the buyer, which is generally on dispatch of goods to customers except in case of consignment sales. Sales include excise duty and exclude VAT and are net of discounts and incentives to the customers. Excise Duty to the extent included in the gross turnover is deducted to arrive at the net turnover.

Dividends

Revenue is recognized when the Company's right to receive the payment is established by the reporting date.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

Incentives

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

l) Foreign currency transaction and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

a) Monetary Items

Year end balances of foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

b) Non monetary items

Non Monetary items such as investments are carried at historical cost using the exchange rate on the date of transaction.

Exchange differences

Exchange differences arising on long term foreign currency monetary items, related to acquisition of a fixed asset are deferred/capitalized and depreciated over the remaining useful life of respective assets as per the Companies (Accounting Standards) Amendment Rules, 2011 dated 29 December, 2011 for amendment to Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", issued by The Ministry of Corporate Affairs (MCA).

In order to exercise the option, an asset or liability is treated as a long term foreign currency monetary item, if the asset or liability is expressed in a currency and has a term of twelve months or more at the date of the origination of the asset or liability.

All other exchange differences including mark to market losses/gains are dealt with in the Statement of Profit and Loss as income or as expenses in the period in which they arise except to the extent that they are regarded as an adjustment to the interest costs and capitalized to fixed assets or charged to Statement of Profit and Loss as per Accounting Standard 16 "Borrowing Costs".

Foreign exchange forward contracts are marked to market at Closing Rate as on the reporting date. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

m) Taxes on income

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

n) Segment reporting

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.

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.

Inter-segment transfers

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

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

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

o) Earnings per share

The Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 "Earnings per Share". Basic EPS is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all potential equity shares, except where the results are anti-dilutive.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

p) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.

Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Clause 8.5 of the AS-4 "Contingencies and events occurring after the Balance Sheet date" states that proposed dividend is sometimes reflected in the financial statements because of statutory requirement. As per requirement of Schedule III, the Company is disclosing proposed dividend separately.

q) 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.

r) Contingent liabilities

Possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation is reported as contingent liability. In rare cases, when a liability cannot be measured reliably, it is classified as contingent liability. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

s) 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 expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of Cash Flow Statement, Cash and Cash Equivalents comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Share Capital

	31.03.2015		31.03.2014	
	No.	₹ in lac	No.	₹ in lac
Authorised				
Equity shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each	3,59,52,353	3,595.24	3,58,50,000	3,585.00
	3,59,52,353	3,595.24	3,58,50,000	3,585.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2015		31.03.2014	
	No.	₹ in lac	No.	₹ in lac
Shares outstanding at the beginning of the year	3,58,50,000	3,585.00	3,58,50,000	3,585.00
Shares Issued during the year	1,02,353	10.24	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,59,52,353	3,595.24	3,58,50,000	3,585.00

b. Terms/rights attached to equity shares

The company has only one class of shares - equity shares - having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Board of Directors of the Company, subject to the approval of the members in the ensuing general meeting, has proposed a dividend of ₹ 3/- per share (P.Y. ₹ 3/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of Shareholder	31.03.2015		31.03.2014	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity shares of ₹ 10/- each fully paid				
Chhatisgarh Investments Limited	1,22,94,179	34.20	1,22,65,657	34.21
Sarda Agriculture and Properties Pvt. Limited	26,35,150	7.33	26,35,150	7.35
IDFC Ltd.	12,07,777	3.36	18,42,105	5.14
Asia Minerals Limited	18,04,891	5.02	18,04,891	5.03

d SEML ESOP Scheme 2012

- a. The Company has established an Employee Stock Option Plan ('ESOP') in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, which has been approved by the Board of Directors and the shareholders. Nomination & Remuneration Committee of the Company administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company plans to grant up to 7,17,000 options to eligible employees and directors of the Company and subsidiaries of the Company.
- b. The options granted under the SEML ESOP Scheme 2012 shall vest as under:
- 1/3rd at the end of one year from the date of grant.
 - 1/3rd at the end of two years from the date of grant.
 - 1/3rd at the end of three years from the date of grant.
- c. The Grantees have a period of 2 years to exercise the Options from the date of vesting, after which unexercised options will lapse.
- d. Options in respect of the shares vested at each vesting date can be exercised in maximum four tranches subject to the exercise period of 2 years from the date of vesting. Each option is exercisable for one equity share of ₹ 10 each fully paid up on payment of exercise price of share determined with respect to the date of grant.
- e. The movement in the scheme is set out as under:

Particulars	SEML ESOP Scheme 2012 – Year Ended			
	31 st March 2015		31 st March 2014	
	Options Number	Weighted Average exercise price Amount (in ₹)	Options Number	Weighted Average exercise price Amount (in ₹)
Outstanding at the beginning of year	3,33,360	125.00	3,33,360	125.00
Granted during the year	Nil	Nil	Nil	Nil
Exercised during the year	1,02,353	Nil	Nil	Nil
Forfeited during the year	Nil	Nil	Nil	Nil
Expired during the year	29,159	Nil	Nil	Nil
Outstanding at the end of the year	2,01,848	125.00	3,33,360	125.00
Exercisable at the end of the year (options which have vested)	98,303	125.00	1,11,120	125.00
Number of equity shares of ₹ 10/- each fully paid up to be issued on exercise of option	3,33,360	125.00	3,33,360	125.00
Exercise price at the date of exercise	N.A.	N.A.	N.A.	N.A.
Weighted average remaining contractual life (months) (including exercise period)	17	---	29	---

f. Proforma accounting for stock option grants

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

(₹ in lac)

S.No.	Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
		Amount	Amount
1	Net profit as reported	5,583.56	7,538.26
2	Add : stock based employee compensation expense debited to Statement of profit and loss	4.83	4.67

3	Less : stock based employee compensation expense based on fair value	3.18	1.59
4	Difference between (2) & (3)	1.65	3.08
5	Adjusted proforma profit	5,585.21	7,541.34
6	Difference between (1) & (5)	1.65	3.08
7	Basic earnings per share as reported	15.55	25.24
8	Proforma earnings per share	15.52	21.03
9	Diluted earnings per share as reported	15.55	25.24
10	Proforma diluted earnings per share	15.52	21.03

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

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

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

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

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

4 Reserves and surplus

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Capital reserve		
Balance as per last financial statements	404.78	404.78
Securities premium account		
Balance as per last financial statements	19,167.93	19,167.93
Addition on account of ESOP	122.00	-
Closing balance	19,289.93	19,167.93
Debenture redemption reserve		
Balance as per last financial statements	2,500.00	1,875.00
Add: Transfer from surplus balance in profit & loss	625.00	625.00
Closing balance	3,125.00	2,500.00
Employee stock option outstanding		
Balance as per last financial statements	14.00	14.00
Less: Options exercised / forfeited during the year	(5.52)	-
(A)	8.48	14.00
Deferred stock compensation cost		
Balance as per last financial statements	6.49	11.16
Less: Amortization during the year	(4.67)	(4.67)
Less: Options forfeited during the year	(0.16)	-
(B)	1.66	6.49
Closing balance (A) - (B)	6.82	7.51

General reserve		
Balance as per last financial statements	14,057.75	12,557.75
Add: Transfer from surplus in the statement of profit & loss	-	1,500.00
Closing Balance	14,057.75	14,057.75
Surplus in the statement of profit and loss		
Balance as per last financial statements	58,769.98	54,432.22
Add : profit for the year	5,583.56	7,538.26
<u>Less: Appropriations</u>		
Equity dividend	(1,077.77)	(1,075.50)
Transfer to debenture redemption reserve	(625.00)	(625.00)
Transfer to general reserve	-	(1,500.00)
Closing balance	62,650.77	58,769.98
Total	99,535.05	94,907.95

5 Long term borrowings

	Non-Current portion		Current Maturities	
	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
Bonds/debentures (secured)				
1,250 (1,250) 9.55 % Redeemable non-convertible debentures of ₹ 10/- lac each	8,333.33	12,500.00	4,166.67	-
Term loans (secured)				
<u>From banks</u>				
Indian rupee loan	11,542.53	7,500.00	4,500.00	2,000.00
Foreign currency loan	-	-	-	9,948.21
<u>From other parties</u>				
Indian rupee loan from financial institution	1,041.67	5,208.33	4,166.67	4,166.67
Hire purchase loans	521.88	-	358.82	22.05
	21,439.41	25,208.33	13,192.16	16,136.93
Deferred payment liabilities				
Deferred sales tax loan (unsecured)	-	464.78	475.22	476.19
	-	464.78	475.22	476.19
Total	21,439.41	25,673.11	13,667.38	16,613.12

Terms of repayment

- The Non-Convertible Debentures are redeemable in three equal annual installments commencing from July 2015. The Company has an option to redeem these debentures earlier; however, no redemption will take place before the end of 3rd year from the date of allotment.
- Rupee term loan from a financial institution is payable in 12 equal quarterly installments commencing from September 2013. Seven installments have already been paid.
- Rupee term loan of ₹ 5,000 lac from bank is payable in 11 quarterly installments starting from September 2013 quarter. 10% of the loan has been repaid in the financial year 2013-14, 20% has been repaid in the financial year 2014-15 and the remaining 4 installments involving 70% of the loan amount will be repaid in the financial year 2015-16.
- Rupee term loan of ₹ 5,000 lac from bank is payable in 10 equal half yearly installments starting from August 2014. Two installments have been repaid in the financial year 2014-15.
- Rupee term loan of ₹ 8,550 lac from bank is payable in 32 equal quarterly installments starting from June 2016.
- Hire purchase loan of ₹ 1,080.08 lac from bank is payable in 35 equal installments starting from August 2014.
- Deferred sales tax loan is interest free and payable at the end of fifth year from the end of the financial year of accrual.

Security

The Non-convertible Debentures are secured by a registered mortgage of an immovable property of the Company situated at Ahmedabad.

Term Loans from bank, financial institution and Debentures 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.

Term Loan of ₹ 5,000 lac from HDFC Bank is secured by way of mortgage of immovable properties of related companies.

Besides this, the term loan from banks are also secured by unconditional and irrevocable personal guarantees of Mr K. K. Sarda, Mr Manish Sarda & Mr. Pankaj Sarda.

Hire purchase loan from bank is secured by hypothecation of related vehicles.

6 Deferred tax liabilities (Net)

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Deferred tax liability / (assets) at the beginning of the year	6,698.41	4,331.03
Deferred tax liability / (assets) during the year on account of timing difference	315.39	2,367.38
Deferred tax liability / (assets) at the end of the year	7,013.80	6,698.41

7 Other long term liabilities

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Others		
Security deposit received		
Deposits from vendors	273.18	253.28
Deposit from employees	51.58	54.88
Other payables	37.43	32.71
Total	362.19	340.87

8 Long term provisions

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Provision for employee benefits		
Leave encashment	197.77	164.70
Other provisions		
Statutory liabilities	791.35	762.16
Mines restoration expenses	311.99	202.88
OB reserve	1,947.37	1,639.58
Total	3,248.48	2,769.32

9 Short term borrowings

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Loans repayable on demand (secured)		
From banks		
Working capital loans	12,491.16	8,259.40
Buyers credit facilities	1,356.55	6,830.92
	13,847.71	15,090.32
Loans repayable on demand (unsecured)		
From banks		
Short term loans	3,500.00	4,500.00
Other loans and advances		
Loans from related parties	285.74	912.88
	3,785.74	5,412.88
Total	17,633.45	20,503.20

Security

Working Capital including buyers credit facilities from banks are secured by first pari-passu charge on stocks & book debts and second pari-passu charge on all present and future movable plant & machinery and second charge by way of joint equitable mortgage of immovable properties located at Industrial Growth Centre, Siltara, Raipur.

The working capital including buyers credit facilities and unsecured short term loans from banks are also secured by irrevocable personal guarantees of Mr. K.K.Sarda, Mr. Pankaj Sarda and Mr. Manish Sarda.

10 Other current liabilities

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Current maturities of long-term debt (refer note no. 5)	13,667.37	16,613.12
Interest accrued but not due on borrowings	269.94	333.82
Unpaid dividends	54.21	49.48
Other payables		
Indirect taxes payable	475.03	240.85
TDS payable	147.11	159.34
Salary & reimbursements	865.50	985.38
Expenses payable	2,740.80	226.72
Advances from customers	521.56	472.71
Deposits from Customers	272.47	-
Total	19,013.99	19,081.42

11 Short term provisions

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Provision for employee benefits		
Gratuity	87.82	2.68
Others		
Provision for expenses	757.78	477.26
Total	845.60	479.94

12 Fixed assets

Tangible fixed assets

(₹ in lac)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2014	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2015	Up to 01.04.2014 Depreciation for the year	Transfer / Adjustment	As on 31.03.2015	As on 31.03.2014
Freehold land	3,512.10	-	-	3,512.10	-	-	3,512.10	3,512.10
Leasehold land	918.47	-	-	918.47	24.03	-	852.03	876.06
Building	19,225.34	292.71	42.06	19,475.99	1,092.24	14.70	14,711.84	15,538.73
Plant & machinery	84,102.52	2,666.08	512.28	86,256.32	5,061.13	239.24	45,179.02	47,847.11
Furniture, fixture & equipment	857.26	79.62	-	936.88	202.17	-	266.04	388.59
Vehicles	989.93	176.48	113.62	1,052.79	164.72	78.33	422.97	446.50
Total	1,09,605.62	3,214.89	667.96	1,12,152.55	6,544.29	332.27	64,944.00	68,609.09
Previous year	1,06,387.61	3,897.85	679.84	1,09,605.62	6,113.39	457.72	68,609.09	71,046.75
Capital Work in Progress (Including capital stock)							3840.47	6503.04

Intangible fixed assets

(₹ in lac)

Particulars	Gross Block			Depreciation			Net Block	
	As on 01.04.2014	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2015	Up to 01.04.2014 Depreciation for the year	Transfer / Adjustment	As on 31.03.2015	As on 31.03.2014
Software	283.49	65.64	-	349.13	24.50	-	98.31	57.17
Mining rights & development	4,885.82	-	-	4,885.82	190.67	-	3,920.96	4,111.63
Total	5,169.31	65.64	-	5,234.95	215.17	-	4,019.27	4,168.80
Previous year	5,166.88	2.43	-	5,169.31	208.31	-	4,168.80	4,374.68
Intangible assets under development							37.37	36.35

13 Non current investments

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Trade investments		
Investment in equity instruments at cost (unquoted)		
Fully paid up with face value of ₹ 10/- each unless otherwise specified		
<u>In subsidiaries</u>		
10,00,000 (P.Y. 10,00,000) Equity Shares of Sardar Energy & Minerals HongKong Limited of HK\$ 1.00 each	55.83	55.83
10,10,000 (P.Y. 10,10,000) Equity Shares of Sardar Global Venture Pte Limited of US\$ 1.00 each	625.25	625.25
9,29,807 (P.Y. 9,29,807) Equity Shares of Sardar Energy Limited	9,682.88	9,682.88
2,10,16,000 (P.Y. 2,10,16,000) Equity Shares of Sardar Metals & Alloys Limited	20,971.00	20,971.00
4,09,14,000 (P.Y. 2,79,14,000) Equity Shares of Madhya Bharat Power Corporation Limited	9,721.50	6,471.50
7,83,182 (P.Y. 7,83,182) Equity Shares of Parvatiya Power Private Limited	783.52	783.52
1,64,700 (P.Y. 1,59,120) Equity Shares of Sardar Hydropower Private Limited	21.49	15.91
11,000 (P.Y. 11,000) Equity Shares of Raipur Fabritech Private Limited	1.10	1.10
5,100 (P.Y. 5,100) Equity Shares of Raipur Industrial Gases Private Limited	0.51	0.51
7,155 (P.Y. Nil) Equity Shares of Natural Resources Energy Private Limited	0.72	-
<u>In joint ventures</u>		
1,30,800 (P.Y. 1,30,800) Equity Shares of Raipur Infrastructure Company Private Limited	210.70	210.70
2,30,144 (P.Y. 2,30,144) Equity Shares of Madanpur South Coal Company Limited	321.61	321.61
14,990 (P.Y. NIL) Equity Shares of Godawari Natural Resources Ltd.	1.50	-
<u>In associates</u>		
Nil (P.Y. 5,000) Equity Shares of Natural Resources Energy Private Limited	-	0.50
<u>In other companies</u>		
4,85,000 (P.Y. 4,85,000) Equity Shares of Chhattisgarh Ispat Bhumi Limited	48.50	48.50
<u>Investments in LLP</u>		
Shri Ram Electricity LLP	351.01	349.55
Chhattisgarh Hydro Power LLP	1,829.52	1,668.43
Other non-current investments		
<u>Share application money</u>		
Madhya Bharat Power Corporation Ltd.	453.00	0.00
<u>Investments in Mutual Funds</u>		
49,990 units (P.Y. 49,990 units) of KBC Mutual Fund	5.00	5.00
Total	45,084.64	41,211.79

14 Long term loans and advances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Capital advances		
Unsecured, considered good	2,662.88	2,333.68
Security deposits		
Unsecured, considered good	405.32	690.05

Other loans and advances		
Unsecured, considered good		
MAT credit entitlement	525.00	741.69
Advance income tax (net of provision)	1,944.74	1,406.76
Prepaid expenses	18.10	10.58
Other advances	880.08	900.10
Total	6,436.12	6,082.86

15 Other non current assets

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Others		
Unsecured, considered good		
Unamortized expenses	6.08	28.05
Total	6.08	28.05

16 Current investments

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Investment in equity instruments (quoted)		
(valued at lower of cost and market value)		
fully paid up with face value of ₹ 10 each		
32,813 (P.Y. 32,813) Equity shares of Abhishek Corporation Limited	32.81	32.81
3,688 (P.Y. 3,688) Equity shares of Indian Metals & Ferro Alloys Limited	1.84	1.84
NIL (P.Y. 12,400) Equity shares of Mangalam Cement Limited	-	24.47
Provision for diminution in the value of Investments	(28.56)	(33.51)
Total	6.09	25.61
Aggregate amount of quoted investments	34.66	59.13
Aggregate market value of quoted investments	6.09	25.61

17 Inventories

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
(valued at lower of cost and net realisable value)		
Raw materials and components	7,642.01	9,281.03
Finished / semi finished goods	22,621.43	14,353.34
Stock-in-trade	37.68	1,309.21
Stores and spares	3,201.62	2,607.57
Total	33,502.74	27,551.15

18 Trade receivables

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	89.81	35.81
Unsecured, considered doubtful	267.16	126.33
Less: provision for doubtful debts	267.16	126.33
	89.81	35.81
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	5,282.77	4,943.62
	5,282.77	4,943.62
Total	5,372.58	4,979.43

19 Cash and bank balances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Cash and cash equivalents		
Balances with banks		
In current accounts	66.15	1,986.19
On unpaid dividend	54.21	49.48
Deposit with Bank	10.00	2,504.01
Cash on hand	35.02	32.07
Total	165.38	4,571.75

Deposit with bank aggregating to ₹ 10 lac (P. Y. Nil) has been pledged with bank for availing bank guarantee.

20 Short term loans and advances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Loans and advances to related parties (Refer note 34)		
Unsecured, considered good	7,428.65	5,606.63
(A)	7,428.65	5,606.63
Others		
Unsecured, considered good		
Earnest money deposit	20.75	72.72
Advances to employees	62.04	98.01
Advances to vendors	4,569.64	3,626.34
Claims & recoverables	761.68	968.83
Loans & advances to others	314.97	8,238.16
Advance royalty paid	2.86	22.98
Prepaid expenses	133.40	147.22
Balances with tax authorities	1,199.68	1,751.91
(B)	7,065.02	14,926.17
Doubtful advances to vendors	89.53	89.53
Less: provision for doubtful advances	89.53	89.53
	-	-
Total (A+B)	14,493.67	20,532.80

21 Other current assets

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
INR receivable from bank in forex a/c	58.21	97.09
Unamortized expenses	21.97	40.35
Total	80.18	137.44

22 Revenue from operations

	2014-15	2013-14
	₹ in lac	₹ in lac
Sale of products		
Sponge iron	27,103.10	32,672.77
Ferro alloys	46,923.76	44,077.69
Steel billets	10,500.24	8,570.08
Wire rod / HB wire	32,119.73	30,823.51
Pellet	18,255.11	13,566.29
Power	930.24	1,519.72
Others	14,860.76	6,903.87
Other operating revenues	1,021.37	1,451.86
Revenue from operation (Gross)	1,51,714.31	1,39,585.79

23 Other income

	2014-15	2013-14
	₹ in lac	₹ in lac
Interest income	2,557.77	1,657.52
Dividend income		
From subsidiaries	1,103.94	1,687.33
From others	78.59	0.93
Net gain on sale of investments	13.88	4.04
Other non-operating income (net of expenses directly attributable to such income)	172.92	115.36
Total	3,927.10	3,465.18

24 Cost of raw material consumed

	2014-15	2013-14
	₹ in lac	₹ in lac
Iron ore	24,181.41	25,892.16
Mn ore	19,447.85	18,544.77
Coal	14,529.22	12,040.78
Scrap	5,266.73	3,532.67
Other material	1,918.97	1,666.25
Total	65,344.18	61,676.63

24.1 Raw material consumption

	2014-15		2013-14	
	₹ in lac	%	₹ in lac	%
Raw material -indigenous consumption	49,186.70	75.27%	48,007.89	77.84%
Raw material -imported consumption	16,157.48	24.73%	13,668.74	22.16%
Total	65,344.18	100.00%	61,676.63	100.00%

25 Changes in inventories of finished goods, semi-finished goods and stock-in-trade

	2014-15	2013-14
	₹ in lac	₹ in lac
Inventories at the end of the year		
Finished goods / semi-finished goods	22,621.43	14,353.34
Trading goods	37.68	1,309.21
	22,659.11	15,662.55
Inventories at the beginning of the year		
Finished goods / semi-finished goods	14,353.35	12,186.65
Trading goods	1,309.21	33.67
	15,662.56	12,220.32
Increase/(decrease) in inventories	6,996.55	3,442.23

26 Employee benefit expense

	2014-15	2013-14
	₹ in lac	₹ in lac
Salaries, incentives & managerial remuneration	5,409.97	4,830.18
Contributions to -		
Provident fund	267.42	250.82
Superannuation scheme	9.00	7.71
Gratuity fund	110.01	115.93
Staff welfare expenses	150.13	115.18
Total	5,946.53	5,319.82

26.1 As per Accounting standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below:

The present value of defined obligation and the related current service cost were measured using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

The following table sets out the funded status of the gratuity plan and the amounts recognized in the Company's Balance Sheet as at 31st March 2015.

	2014-15	2013-14
	₹ in lac	₹ in lac
Assumptions		
Discount rate (beginning of the year)	8.25%	8.00%
Discount rate (end of the year)	8.00%	8.25%
Rate of increase in compensation levels	9.50%	9.50%
Rate of return on plan assets	9.00%	9.00%
Expected average remaining working lives of employees (years)	20.77	21.44
Table showing changes in present value of obligations		
Present value of obligation as at the beginning of the year	600.16	448.26
Acquisition adjustment	0.00	0.00
Interest cost	60.69	47.18
Current service cost	102.64	88.95
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-

Benefits paid	(8.49)	(8.30)
Actuarial (gain) / loss on obligations	(6.42)	24.07
Present value of obligation as at the end of the year	748.58	600.16
Table showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	597.48	486.84
Acquisition adjustments		
Expected return of plan assets	56.62	48.79
Contributions	21.28	74.67
Benefits paid	(8.49)	(8.30)
Actuarial gain / (loss) on plan assets	(6.14)	(4.52)
Fair value of plan assets at the end of the year	660.75	597.48
Tables showing fair value of plan assets		
Fair value of plan asset at the beginning of year	597.48	486.84
Acquisition adjustments		
Actual return on plan assets	50.48	44.27
Contributions	21.28	74.67
Benefits paid	(8.49)	(8.30)
Fair value of plan assets at the end of year	660.75	597.48
Funded status	(87.83)	(2.68)
Excess of actual over estimated return on plan assets	(6.14)	(4.52)
Actuarial gain / loss recognized		
Actuarial (gain) / loss for the year – obligation	(6.42)	24.07
Actuarial (gain) / loss for the year – plan assets	6.14	4.52
Total (gain) / loss for the year	(0.28)	28.59
Actuarial (gain) / loss recognized in the year	(0.28)	28.59
Unrecognized actuarial (gains) / losses at the end of year	-	-
The amounts to be recognized in balance sheet and statement of profit & loss		
Present value of obligation as at the end of the year	748.58	600.16
Fair value of plan assets as at the end of the year	660.75	597.48
Funded status	(87.83)	(2.68)
Net asset / (liability) recognized in balance sheet	(87.83)	(2.68)
Expense recognized in the statement of profit & loss		
Current service cost	102.64	88.95
Interest cost	60.69	47.18
Expected return of plan assets	(56.62)	(48.79)
Curtailed cost / (credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain) / loss recognized in the year	(0.28)	28.59
Expenses recognized in the statement of profit & loss	106.43	115.93

Note: Gratuity paid and debited to Statement of Profit & Loss ₹ 3.58 lac (P. Y. ₹ NIL) has not been considered above since it is borne by the Company besides funding to LIC and SBI Life Insurance Company Limited.

27 Finance costs

	2014-15	2013-14
	₹ in lac	₹ in lac
Interest expense	4,882.59	4,467.80
Other borrowing costs	650.03	415.58
Amortization of ancillary borrowing costs	40.35	52.62
Exchange differences to the extent considered as an adjustment to borrowing costs	313.15	1,364.86
Total	5,886.12	6,300.86

28 Depreciation and amortisation

	2014-15	2013-14
	₹ in lac	₹ in lac
Depreciation of tangible assets	6,544.29	6,113.38
Amortisation of intangible assets	215.17	208.31
Total	6,759.46	6,321.69

29 Other expenses

	2014-15	2013-14
	₹ in lac	₹ in lac
Stores & spares consumption	7,064.18	8,922.28
Power	1,373.34	1,226.56
Manufacturing expenses		
Plant process & services	1,507.67	1,183.57
Material handling expenses	3,116.90	2,937.88
Other manufacturing expenses	8,721.44	4,513.19
Increase / (decrease) of excise duty on inventory	(320.55)	299.64
Mining expenses	8,388.05	4,274.82
Repairs & maintenance		
Building	279.62	163.97
Plant & machinery	901.44	853.79
Others	360.21	265.43
Rent	115.49	105.02
Rates & taxes	4,006.83	2,535.17
Insurance charges	126.88	96.02
Miscellaneous expenses		
Travelling & conveyance expenses	461.68	463.44
Legal & professional expenses	577.56	565.72
Administrative and other expenses	847.17	665.84
Selling expenses		
Carriage outward	1,136.93	1,458.17
Selling commission & brokerage	358.92	353.51
Other selling expenses	34.24	20.72
Exchange differences (net)	(105.09)	710.23
Payment to auditors	14.00	14.83
Provision for diminution in value of current investment	(4.95)	0.62
Total	38,961.96	31,630.42

29.1 Stores & spares consumption

	2014-15		2013-14	
	₹ in lac	%	₹ in lac	%
Stores & spares - indigenous consumption	6,612.27	93.60%	8,285.85	92.87%
Stores & spares - imported consumption	451.91	6.40%	636.43	7.13%
Total	7,064.18	100.00%	8,922.28	100.00%

29.2 Payments to the auditor

	2014-15 ₹ in lac	2013-14 ₹ in lac
As auditor:		
Audit fee	12.00	12.00
Tax audit fee	2.00	2.00
Reimbursement of expenses	-	0.83
Total	14.00	14.83

30 Earnings per share (EPS)

	2014-15	2013-14
Net Profit after tax (before prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Lac)	5,583.56	9,048.52
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to Equity Shareholders (₹ in Lac)	5,583.56	7,538.26
Nominal Value of Equity Shares (₹)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	3,59,11,160	3,58,50,000
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	3,59,72,520	3,58,50,000
Basic (Before prior period Deferred Tax)(₹)	15.55	25.24
Basic (After prior period Deferred Tax)(₹)	15.52	21.03
Diluted (Before prior period Deferred Tax)(₹)	15.55	25.24
Diluted (After prior period Deferred Tax)(₹)	15.52	21.03

31. Segment reporting

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

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

A) Business Segment-Primary

(₹ in lac)

Particulars	2014-2015				2013-2014			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	87,552.56	48,694.82	946.04	1,37,193.42	77,118.02	47,717.75	1,677.80	1,26,513.57
Inter segment sales		725.01	13,435.23	14,160.24		523.65	12,410.86	12,934.51
Others unallocated				726.02				537.80
Total revenue	87,552.56	49,419.83	14,381.27	1,52,079.68	77,118.02	48,241.40	14,088.66	1,39,985.88
Result								
Segment result	10,742.05	5,962.79	612.16	17,317.00	13,405.61	7,674.22	900.19	21,980.02

Unallocated expenses net off unallocated income					(3,289.82)					(1,541.81)
Operating Profit					14,027.19					20,438.21
Interest & forex fluctuation loss (net)					(5,781.04)					(7,011.09)
Profit before tax & extraordinary item					8,246.14					13,427.12
<u>Provision for taxation</u>										
For current year					(2,347.19)					(3,521.49)
For deferred taxation					(315.39)					(857.12)
Deferred tax related to prior period					-					(1,510.26)
Profit after taxation					5,583.56					7,538.25
Other information										
Segment assets	82,248.52	15,758.80	14,462.88	1,12,470.20		79,727.01	17,987.64	10,435.77		1,08,150.42
Unallocated assets				17,053.66						31,963.15
Total assets				1,29,523.86						1,40,113.57
Segment liabilities	8,652.58	3714.75	1,589.74	13,957.07		4,484.57	8,451.65	1,425.95		14,362.17
Unallocated liabilities				1,162.99						2,674.23
Total liabilities				15,120.06						17,036.40
Capital expenditure	1,318.85	265.85	287.65	1,872.35		2,544.78	340.18	157.93		3,042.89
Depreciation / amortization	4,845.32	497.65	467.99	5,810.97		4,064.55	502.30	1,074.72		5,641.57
Unallocated capital exp. & depreciation				(1,652.68)						378.15

32. Capitalization of expenditure

During the year, Company has capitalized the following expenses to the cost of fixed asset/ capital work-in-progress (CWIP) because these were attributable to the installation of fixed assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

(₹ in lac)

Particulars	2014-15	2013-14
Salaries	3.63	203.98
Finance cost	63.93	131.78
Other expenses (exchange fluctuation)	-	1,021.16
Total	67.56	1,356.92

33. Interest in joint ventures

Name of the Company	Proportion of ownership interest as at 31 st March	
	2015	2014
Raipur Infrastructure Company Limited	33.33%	33.33%
Madanpur South Coal Company Limited	20.63%	20.63%
Godawari Natural Resources Limited	29.98%	-

The above joint venture companies are incorporated in India. The Company's share of assets and liabilities as on 31st March, 2015 and income and expenses for the year ended on that date are given below which are based on audited figures of the joint venture companies.

(₹ in lac)

Particulars	As at 31 st March	
	2015	2014
Assets		
Non current assets	529.12	642.26
Current assets	289.62	301.11
Total	818.74	943.37
Liabilities		
Non current liabilities	1.02	7.76
Current liabilities	10.77	37.27
Total	11.79	45.03
Income	189.22	184.98
Expenses	156.52	52.58
Contingent liabilities	NIL	900.00
Capital commitments	NIL	12.34

The Madanpur South Coal block allotted in JV (in which the Company's share is 20.63%) had been cancelled by the government because the JV could not achieve the milestones. The cancellation has been challenged in the High Court at Bilaspur because the delay was on account of delay in government approvals. The HC had granted stay on the cancellation. In the meantime, the Hon'ble Supreme Court has cancelled all coal blocks vide its order. The Company has invested ₹ 321.61 lac in the said Joint venture company as its contribution. No impairment has been booked against the investment because the Company feels that realizable value of the assets (including land) shall be more than the value of investment.

34. Related party disclosure

a) Names of related parties and description of relationship

S. No.	Relationship	Names of Related Parties
1	Subsidiaries	Sarda Energy & Minerals Hongkong Limited, Hongkong Sarda Global Ventures Pte Limited, Singapore Sarda Metals & Alloys Limited Sarda Energy Limited Madhya Bharat Power Corporation Limited Parvatiya Power Limited Sarda Hydro Power Private Limited Raipur Fabritech Private Limited Raipur Industrial Gases Private Limited Natural Resources Energy Private Limited
2	Joint ventures	Raipur Infrastructure Company Limited Madanpur South Coal Company Limited Godawari Natural Resources Limited
3	Controlled entities	Chhatisgarh Hydro Power LLP Shri Ram Electricity LLP
4	Related enterprises where significant influence exists	Chhatisgarh Investments Limited Sarda Power and Steels Limited R.R. Sarda & Company Rishabh Mining & Transport Co. Pvt. Ltd. Sarda Dairy & Food Products Pvt. Ltd. Mosh Varaya Infrastructure Pvt. Ltd. Jai Balaji Enterprises M/s A. V. Associates

5	Key management personnel (KMP)	Mr. Kamal Kishore Sarada Mrs. Uma Sarada Mr. Pankaj Sarada Mr. Ghanshyam Das Mundra Mr. Padam Kumar Jain Mr. Manish Sethi
6	Relative of KMP's	Mr. Ghanshyam Sarada Mrs. Veena Sarada

b) Material transactions with related parties

(₹ in lac)

Particulars	Subsidiaries	Joint Ventures	Controlled Entities	Related Enterprises Where significant influence exists	KMP	Relatives of KMP's
Loans/advances given	24,001.90 (26,950.14)			13,780.50 (18,210.11)		
Loans/advances received back	22,846.96 (29,774.06)	49.91 (NIL)		11,971.83 (20,450.07)		
Material transferred/sold	1,148.47 (918.00)		1.85 (NIL)	335.79 (133.04)		
Materials purchased	3,561.98 (1,771.39)			12.40 (5.29)		
Interest received	536.77 (11.12)	0.47 (0.24)		804.14 (1,312.99)		
Interest paid	0.16 (51.92)			0.11 (0.11)		
Commission Paid				5.79 (2.65)		
Dividend income	1,103.94 (1,687.33)	78.48 (NIL)				
Remuneration					434.22 (379.28)	
Rent paid				105.85 (96.98)	10.44 (10.44)	4.20 (4.20)
Services offered		3.00 (3.00)		3,377.67 (2,346.57)		
Corporate guarantee given	NIL (17.50)					
Investments made/Share application money	3,708.80 (1,591.95)	1.50 (12.68)	162.55 (366.84)			

Outstanding as at 31.03.2015

Receivable	1,335.20 (2,776.09)	NIL (49.91)		6,462.28 (3,429.35)	3.64 (19.17)	NIL (0.07)
Corporate guarantee outstanding	417.09 (6,829.09)	NIL (900.00)				
Investments	41,863.79 (38,608.00)	533.81 (532.31)	2,180.53 (2,017.98)			

Share application money pending allotments	453.00 (NIL)			
Payables	NIL (912.88)	85.01 (90.53)	NIL (0.87)	1.69 (NIL)

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

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

(₹ in lac)

Particulars	2014-15	2013-14
Loans/advances given		
Sarda Metals and Alloys Limited	23,410.00	24,223.71
Chhatisgarh Investments Limited	12,900.46	17,360.11
Loans/Advances received back		
Sarda Metals and Alloys Limited	19,763.00	27,366.00
Chhatisgarh Investments Limited	11,694.84	20,340.70
Materials transferred/sold		
Sarda Metals and Alloys Limited	1,146.55	918.00
Mosh Varaya Infrastructure Pvt. Ltd.	304.05	57.02
Materials received/purchased		
Sarda Metals and Alloys Limited	3,561.98	1,771.39
Interest received		
Sarda Metals and Alloys Limited	534.96	NIL
Chhatisgarh Investments Limited	562.83	1,172.10
Mosh Varaya Infrastructure Pvt. Ltd.	156.93	83.12
Interest Paid		
Parvatiya Power Limited	0.16	NIL
Jai Balaji Enterprises	0.11	0.11
Sarda Metals and Alloys Limited	NIL	51.92
Commission paid		
Jai Balaji Enterprises	5.79	2.65
Dividend income		
Sarda Energy and Minerals Hongkong Limited	1,103.94	1,687.33
Remuneration paid		
Shri Kamal Kishore Sarda	299.35	274.43
Shri Pankaj Sarda	52.16	30.80
Shri Ghanshyam Das Mundra	34.64	30.60
Shri Padam Kumar Jain	39.03	35.70
Rent paid		
Chhatisgarh Investments Limited	70.54	61.68
Rishabh Mining & Transport Co. Pvt. Ltd.	35.30	35.30
Services offered		
Mosh Varaya Infrastructure Pvt. Ltd.	2,659.80	1,748.31
M/s A. V. Associates	716.38	598.25
Corporate guarantee given		
Madanpur South Coal Company Limited	NIL	NIL
Sarda Metals and Alloys Limited	NIL	17.50
Investment made including share application		
Madhya Bharat Power Corporation Limited	3,703.00	NIL

Outstandings

(₹ in lac)

Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
Investments		
Sarda Metals and Alloys Limited	20,971.00	20,971.00
Madhya Bharat Power Corporation Limited	9,721.50	6,471.50
Sarda Energy Limited	9,682.88	9,682.88
Receivables		
Sarda Metals and Alloys Limited	1,030.20	NIL
Mosh Varaya Infrastructure Pvt. Ltd.	1,432.19	623.03
Chhatisgarh Investment Limited	3,717.51	2,076.68
Sarda Power And Steels Limited	1,285.14	727.54
Sarda Energy and Minerals Hongkong Limited	NIL	2,693.21
Share application money pending allotment		
Madhya Bharat Power Corporation Limited	453.00	NIL
Corporate guarantee given		
Madanpur South Coal Company Limited	NIL	900.00
Sarda Metals and Alloys Limited	417.09	6,829.50
Payables		
M/s A. V. Associates	83.52	NIL
Remuneration	135.96	338.99
Sarda Metals and Alloys Limited	NIL	912.88

35. Capital and other commitments

- Estimated amount of contracts remaining to be executed on Capital Account, net of advance given ₹ 3,330.66 lac (P.Y. ₹ 502.48 lac).
- Company has commitments of ₹ 911.88 lac (P.Y. ₹ 2,832 lac) for further investment in controlled entity Chhattisgarh Hydro Power LLP and ₹ 19,106.50 lac (P.Y. ₹ 5,443 lac) in Madhya Bharat Power Corporation Limited.

36. Proposed dividend

Board of Directors have recommended dividend of ₹ 3/- (P.Y. ₹ 3/-) per share for equity share of ₹ 10/- each totaling ₹ 1,078.57 lac (P.Y. ₹ 1,077.78 lac) for the year ended March 31, 2015.

37. Contingent liabilities

(₹ in lac)

Particulars	Year Ended 31 st March 2015	Year Ended 31 st March 2014
Guarantees given by Company's bankers	2,075.68	1,968.95
Share of guarantees given by the jointly controlled entity	NIL	900.00
Guarantees given to DGFT on behalf of wholly owned subsidiary for meeting export obligation	98.88	98.88
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	318.21	318.21
Bills discounted with the Company's bankers under Letters of Credit	3,156.28	5,851.50
Corporate Guarantee given to Axis Bank Ltd. for disbursement of term loan to Sarda Metals & Alloys Ltd (SMAL), wholly owned subsidiary of the Company	NIL	6,412.00

Claims against the Company not acknowledged as debt & disputed in appeals	179.63	219.63
Excise duty & service tax demand	418.36	379.27
VAT, CST & Entry Tax	124.81	111.75
Income tax	46.58	2,281.93
Energy development cess	3,933.80	3,363.80

- i) Guarantee (equal to Company's share in Joint Venture) given by the Company to IDBI Bank Limited against guarantee issued by the Bank in favor of Government of India on behalf of Madanpur South Coal Company Limited (The Joint Venture Company for Coal Mining) NIL (P.Y. ₹ 900.00 lac).
- ii) Guarantee given to Director General of Foreign Trade ₹ 98.88 lac (P.Y. ₹ 98.88 lac) and Assistant Commissioner of Customs ₹ 318.21 lac (P.Y. ₹ 318.21 lac) on behalf of Sarda Metals & Alloys Limited, wholly owned subsidiary of the Company for fulfillment of export obligation against import of capital goods under Export Promotion Capital Goods Scheme.
- iii) Excise Duty & Service Tax
- Excise duty demand of ₹ 20.56 lac (P.Y. ₹ 20.56 lac) raised on account of Cenvat credit availed, which the Company has disputed in High Court.
 - Excise Duty demand of ₹ 174.51 lac (P.Y. ₹ 176.10 lac) raised on account of Cenvat credit availed which the Company has disputed and has filed appeal before the Central Excise & Service Tax Appellate Tribunal (CESTAT).
 - Excise Duty demand of ₹ 129.39 lac (P.Y. ₹ 130.27 lac) raised on account of Cenvat credit availed which the Department has disputed and has filed appeal before the CESTAT.
 - ₹ 6.97 lac (P.Y. ₹ 6.97 lac) on account of duty on VAT collected by the Company against which the Company has filed an appeal before the CESTAT.
 - ₹ 6.66 lac (P.Y. ₹ 6.66 lac) on account of duty on sale of waste and scrap by the Company. The case has been decided in favour of the Company by Commissioner Central Excise (Appeals) (CCE(A)). The Central Excise Department has filed appeal before the CESTAT against decision of the CCE(A).
 - Excise Duty demand of ₹ 41.56 lac (P.Y. ₹ NIL) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
 - Excise Duty demand of ₹ 7.62 lac (P.Y. ₹ 7.62 lac) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
 - Service Tax demand of ₹ 31.09 lac (P.Y. ₹ 31.09 lac) raised on account of Service Tax on foreign services availed, which the Department has disputed and has filed appeal before CESTAT.
- iv) Value Added Tax/Central Sales Tax/Entry Tax
Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 124.81 lac (P.Y. ₹ 111.75 lac) are pending in appeal against assessment of various years.
- v) Income Tax
NIL (P.Y. ₹ 2,080.80 lac) for the Assessment Year 2009-10 and NIL (P.Y. ₹ 201.13 lac) for the Assessment year 2010-11 and 46.58 lac (P.Y. ₹ NIL) for the Assessment Year 2012-13 on account of partial disallowance of deduction claimed under Section 80IA of the Income Tax Act, 1961, disputing the transfer pricing of Power captively consumed by other divisions. For Assessment year 2012-13, the Company has filed appeals before Commissioner of Income Tax (Appeals), Nagpur and the matter is pending. For the A.Y. 2009-10 and A.Y. 2010-11, the Commissioner of Income Tax (Appeals), Nagpur has pronounced the judgments order in favour of the Company by its order dated 25.03.2015.
- vi) Energy Development Cess of ₹ 3,933.80 lac (P.Y. ₹ 3,363.80 lac) net of amount deposited ₹ 294.34 lac (P.Y. ₹ 294.34 lac) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to February 2014. The Honorable High Court of Chhattisgarh has held the levy of Energy Development Cess as unconstitutional vide its Order dated 20th June 2008. The State Govt. has filed a Special Leave Petition before the Honorable Supreme Court.

38. During the year, the Income Tax Department has conducted a search operation U/s 132 of the Income Tax Act, 1961. During the course of search:-

- i) The various documents and records have been seized by them and physical verification of stocks was also conducted by independent agencies appointed by them.
- ii) The company does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.

39. Effective from 1st April 2014, the useful lives of fixed assets have been revised in accordance with Schedule II to the Companies Act, 2013. Consequently, the depreciation for the year ended 31st March 2015 is higher by ₹ 513.46 lac. Further, pursuant to the transitional provision provided in schedule II to the Act, the Company has opted to charge the carrying amount of the assets with no useful life as on 1st April 2014 being ₹ 117.35 lac, to the Statement of Profit & Loss as depreciation.

40. Exceptional item includes:

- i) Additional Govt. levy of ₹ 10,755.36 lac paid in pursuance of the Supreme Court order dated 24th September 2014 on coal extracted from its captive coal mines since commissioning till 31.03.2014.
- ii) Write off of expenses incurred on thermal power projects which have now been shelved in view of the change in the Government policy for allocation of coal blocks being ₹ 1,878.30 lac.

41. In pursuance of the order dated 24th September 2014 issued by the Hon'ble Supreme Court of India deallocating 204 coal blocks, the allotment of coal block Gare Palma IV/7 to the Company, which was in operation since 2009 stands cancelled w.e.f. 1st April 2015. The company has filed a writ petition before the Hon'ble High court of Delhi challenging the compensation amount and exclusion of washary from the mine infrastructure. Since, the matter is subjudice, pending settlement of the claim, no adjustment has been made in the accounts for the impairment, if any.

42. Corporate Social Responsibility

During the year, in terms of the requirements of Section 135 of the Companies Act, 2013, the Company has spent a sum of ₹ 227.52 lac on CSR activities. The details of the same are given in the annexure to the Directors' Report.

43. Derivative instruments and unhedged foreign currency exposure

a) Derivatives outstanding as at the reporting date

Particulars	Purpose	31.03.2015		31.03.2014	
		USD in lac	INR in lac	USD in lac	INR in lac
Forward contract to sell USD	To hedge loan given to wholly owned subsidiary company and receivables	44.00	2,749.78	65.00	3,892.20

b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	31.03.2015		31.03.2014	
		Foreign Currency in lac	INR in lac	Foreign Currency in lac	INR in lac
ECB loan	USD	---	---	140.00	8,383.20
ECB loan	JPY	---	---	2,675.00	1,565.01
Trade payable	USD	42.56	2,659.89	259.63	15,546.84
Trade receivable	USD	20.01	1,250.40	32.94	1,972.37
Other receivable	USD	---	---	1.65	77.42

44. Disclosure as per clause 32 of the listing agreement

Loans and advances in the nature of loans given to subsidiaries, associates and others

Name of the entities	Relationship	Amount outstanding as at 31.03.2015	Maximum amount outstanding during the year	Investment by the loanee in the shares of the Company
Loans where there is no repayment schedule: -		₹ in lac	₹ in lac	No. of shares
Sarda Energy & Minerals Hongkong Limited	Subsidiary	---	2,693.21	---
Sarda Hydro Power Private Limited	Subsidiary	---	5.46	---
Sarda Metals & Alloys Limited.	Subsidiary	1,030.20	9,480.53	---
Raipur Infrastructure Co. Ltd.	Joint Venture	---	49.94	---
Moshvaraya Infrastructure Pvt. Ltd.	Others	1,133.11	1,134.81	---
Kamal Trading Company	Others	0.10	0.10	---
Vidya Sagar & Sons	Others	---	349.92	---
Ramdeo Bidi Works	Others	---	105.81	---
Mumbai Fabrics Pvt. Ltd.	Others	---	288.19	---
B K Infrastructure Pvt. Ltd.	Others	0.18	100.00	---
Orient Press Limited	Others	---	100.00	---
Manees Pipes Pvt. Ltd.	Others	0.05	200.00	---
Earth Sthal & Alloys Pvt. Limited	Others	123.09	250.00	---
Chhatisgarh Investments Limited	Others	3,717.51	6,262.43	1,22,94,179
Sarda Power & Steel Limited	Others	1,242.84	1,193.83	---
Simplex Prefab Infrastructure India Pvt. Ltd.	Others	28.13	28.13	---
Shree Pariyojna Nirman Limited	Others	63.42	626.52	---
Chemical and Ferro Alloys Pvt. Ltd.	Others	---	5,022.19	---
Indigo Denim Pvt. Ltd.	Others	---	100.21	---

Loans where there no repayment schedule and no interest is charged:				
Bhawans' R K Sarda Vidya Mandir	Others	980.08	1,035.08	---
Sarda Global Ventures Pte Limited	Subsidiary	---	81.28	---
Natural Resources Energy Private Ltd.	Subsidiary	305.00	310.00	---

Note: As per Company's policy loans given to employees are not considered in above.

45. Dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March, 2015 as micro, small or medium enterprises. Consequently the amount paid/ payable to these parties during the year is NIL.

46. Foreign currency income & expenditure

Income in foreign exchange (accrual basis)

Particulars	(₹ in lac)	
	2014-15	2013-14
FOB value of exports	18,053.94	19,667.94
Interest received	1.34	10.66
Dividend	1,103.94	1,687.33

Expenditure in foreign currency (accrual basis)

(₹ in lac)

Particulars	2014-15	2013-14
Value of imports calculated on CIF basis		
Raw materials	11,715.82	13,456.12
Components, stores & spare parts	719.92	616.81
Capital goods	167.12	194.30
Expenditure		
Travelling expenses	10.70	8.00
Commission	15.83	3.29
Others	179.52	178.62
Interest	327.03	623.59
Net dividend remitted		
Year of remittance	2014-15	2013-14
Period to which it relates	01.04.2013 to 31.03.2014	01.04.2012 to 31.03.2013
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due	18,04,891	18,04,891
Amount remitted	54.15	54.15

47. Previous year figures have been recasted / regrouped / restated wherever necessary to make them comparable.

SIGNATURE TO NOTES "1" TO "47"

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Consolidated

Annual Accounts 2014-15

Independent Auditors' Report

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Sarda Energy & Minerals Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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; the 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- (i) of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015; and
- (ii) their consolidated profit/loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the consolidated financial statements:

- a) Note no. 42 which describes the uncertainty related to compensation amount and exclusion of washary from the mine infrastructure cost of cancelled coal block of the Company for which the Company has filed writ petition in the court of law. Since the matter is subjudice, pending settlement of claim, no adjustment has been made for impairment.
- b) Similarly note no. 33 which also describes uncertainty related to investments in Joint Venture Company where the allotted coal block has been cancelled. No impairment loss has been booked in anticipation that the realizable value of the assets of the JV shall be more than the value of investment of the Company.
- c) Impact with respect to (a) and (b) are presently not ascertainable and as such cannot be commented upon by us.

Our opinion is not qualified in respect of these matters.

Other Matters

We did not audit the financial statements / financial information of nine subsidiaries and one jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 1,64,090.58 lac as at 31st March, 2015, total revenues of ₹ 45,810.79 lac and net cash flows amounting to ₹ 41,246 lac for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information 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 jointly controlled entities, 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 and jointly controlled entities, 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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 and jointly controlled entities– refer Note 37 to the consolidated financial statements.
 - (ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 23rd May, 2015

Annexure to the Independent Auditor's Report on the Consolidated financial statements for the year ended 31st March 2015

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date.)

Our reporting on the CARO 2015 includes 5 subsidiary companies and 1 jointly controlled company incorporated in India, to which CARO 2015 is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015 in the case of the consolidated financial statements.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective entities in accordance with a phased periodical programme of verification which, in our opinion and the opinion of other auditors is reasonable. According to the information and explanation given to us and other auditors no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India:
 - (a) As explained to us and other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company and subsidiary companies have granted unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013:
 - (a) The receipts of principal amounts and interest have been regular / as per stipulations.
 - (b) There are no overdue amounts in excess of ₹ 1 lac remaining outstanding as at the year-end.
- (iv) In our opinion and the opinion of the other auditors and according to the information & explanations given to us and other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies and jointly controlled companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.
- (v) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the Holding Company and subsidiary companies incorporated in India have, prima facie, made and

maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, wherever applicable. We have, however, not made a detailed examination of the records.

(vii) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and jointly controlled companies incorporated in India:

- (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities. There were no material undisputed amounts payable by the respective entities in respect of such dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of the Statute	Nature of dues	Period	Amount (₹ in lac)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	Various years from 2004-05 to	134.43	Customs, Excise and Service Tax
	Penalty	2011-12	131.10	Appellate Tribunal
	Excise Duty	Various years from March 1989 to Aug 2013	49.18	The Commissioner (Appeals) Central Excise, Customs & Service Tax
	Excise Duty	July 1987 to Oct 1988	20.56	High Court of Chhattisgarh, Bilaspur
Income Tax Act, 1961	Income Tax	A.Y. 2012-13	46.58	Commissioner of Income Tax (Appeals)
Central Sales Tax, 1956 & C.G. Commercial Tax Act	VAT, Entry Tax & CST	Various years from 1992-93 to 2008-09	124.81	Appellate Authorities upto Commissioner's level
Finance Act 1994	Service Tax	Various years from 2006-07 to	67.54	Customs, Excise and Service Tax
	Penalty	2007-08	16.42	Appellate Tribunal
Chhatisgarh Upkar Adhinyam 1981	Energy Development Cess	May 2006 to Feb 2014	3,933.80	Supreme Court

- (c) According to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time by the respective entities.

(viii) The Holding Company, subsidiary companies and jointly controlled companies incorporated in India do not have consolidated accumulated losses at the end of the financial year nor have they incurred cash losses, on a consolidated basis, during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the Holding Company, subsidiary companies and jointly controlled companies incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders except in case of one subsidiary company where the company has not paid ₹ 668.57 lac to the financial institution because of pending consideration of restructuring/reschedulement of loan with lenders.

- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the terms and conditions of the guarantees given by the Holding Company and subsidiary companies incorporated in India for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the respective companies.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and other auditors, the term loans have been applied by the Holding Company, subsidiary companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India and no material fraud on the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

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

Sanjay Singhania
Partner
Membership No.076961

Raipur, 23rd May, 2015

Consolidated Balance Sheet

as at 31st March 2015

Particulars	Note	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	3	3,595.24	3,585.00
Reserves and surplus	4	1,17,365.27	1,11,230.45
		1,20,960.51	1,14,815.45
2. Minority interest		7,065.06	6,726.56
3. Non-current liabilities			
Long term borrowings	5	82,122.14	88,356.26
Deferred tax liabilities	6	7,801.98	7,157.25
Other long term liabilities	7	1,325.41	2,140.88
Long term provisions	8	3,363.49	2,859.13
		94,613.02	1,00,513.52
4. Current liabilities			
Short term borrowings	9	47,257.78	63,640.62
Trade payables		7,058.70	12,584.02
Other current liabilities	10	26,554.59	25,661.93
Short term provisions	11	880.72	805.44
		81,751.79	1,02,692.01
		3,04,390.38	3,24,747.54
II. ASSETS			
1. Non-current assets			
Fixed assets	12		
Tangible assets		1,28,402.42	1,33,746.33
Intangible assets		4,858.38	4,544.14
Capital work-in-progress		44,103.84	37,506.87
Intangible assets under development		37.37	36.35
		1,77,402.01	1,75,833.69
Non-current investments	13	422.88	294.00
Deferred tax assets		0.20	0.25
Long term loans and advances	14	12,843.11	14,033.98
Other non-current assets	15	10.93	34.18
		1,90,679.13	1,90,196.10
2. Current assets			
Current investments	16	27,473.37	56,872.83
Inventories	17	42,797.49	28,446.27
Trade receivables	18	9,729.63	6,484.70
Cash and bank balances	19	1,134.42	10,276.65
Short term loans and advances	20	32,114.24	31,906.43
Other current assets	21	462.10	564.56
		1,13,711.25	1,34,551.44
		3,04,390.38	3,24,747.54

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015Raipur, 23rd May, 2015

Consolidated Statement of Profit & Loss

for the year ended 31st March 2015

Particulars	Note	2014-15 ₹ in lac	2013-14 ₹ in lac
I Revenue from operations (gross)	22	1,90,335.81	1,71,994.25
Less: Excise duty		14,348.10	12,856.58
Revenue from operations (net)		1,75,987.71	1,59,137.67
II Other income	23	6,254.69	4,624.09
III Total revenue (I + II)		1,82,242.40	1,63,761.76
IV Expenses:			
Cost of materials consumed	24	92,173.70	76,859.62
Purchases of stock-in-trade		5,374.95	11,389.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(11,920.97)	(3,444.57)
Employee benefits expense	26	7,212.47	6,353.97
Finance costs	27	12,035.76	12,252.35
Depreciation and amortization expense	28	9,298.30	9,555.16
Other expenses	29	45,412.95	35,104.79
Total expenses		1,59,587.16	1,48,071.22
V Profit before exceptional items and tax (III - IV)		22,655.24	15,690.54
VI Exceptional items		13,927.46	248.21
VII Profit Before Tax (V - VI)		8,727.78	15,442.33
VIII Tax expense:			
1. Current tax		2,592.26	3,799.81
2. Deferred tax		644.78	1,115.18
3. Deferred tax related to prior period		-	1,510.26
4. MAT credit entitlement		(140.00)	(192.78)
IX Profit for the period (VII - VIII)		5,630.74	9,209.86
X Less: Minority interest		139.73	106.79
XI Net Profit after minority interest		5,491.01	9,103.07
XII Earnings per equity share	30		
Basic (Before prior period and exceptional items)		15.29	29.60
Basic (After prior period and exceptional items)		15.26	25.39
Diluted (Before prior period and exceptional items)		15.29	29.60
Diluted (After prior period and exceptional items)		15.26	25.39

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED

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Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Consolidated Cash Flow Statement

for the year ended 31st March 2015

Particulars	2014-15 ₹ in lac	2013-14 ₹ in lac
A. Cash flow from operating activities :		
Net profit before tax as per statement of profit & loss	8,727.78	15,442.33
<u>Adjusted for :</u>		
Depreciation	9,298.30	9,555.16
Interest income	(4,396.79)	(3,561.65)
Finance costs	12,035.76	11,448.69
Unrealised exchange (gain)/loss	85.40	160.10
Employee stock option amortization	(0.70)	4.67
Dividend income	(182.32)	(58.05)
(Profit) / loss on sale of investments	(652.79)	(843.47)
(Profit) / loss on sale of fixed assets	224.16	73.03
Effect of exchange differences on translation of subsidiaries	681.35	1,468.69
Profit pertaining to associates/minority interest & pre acquisition profits (net)	(139.73)	(106.79)
	16,952.64	18,140.38
Operating profit before working capital changes	25,680.42	33,582.71
<u>Adjusted for :</u>		
Increase in trade & other payables	(2,153.17)	4,210.90
Increase in inventories	(14,351.22)	(3,695.50)
(Increase)/decrease in trade and other receivables	(3,224.27)	1,136.76
(Increase)/decrease in loans, advances & other current assets	(6,822.20)	(7,895.22)
	(26,550.86)	(6,243.06)
Cash generated from operations	(870.44)	27,339.65
Direct taxes (net)	(2,775.67)	(3,248.20)
Net cash from operating activities	(3,646.11)	24,091.45
B. Cash flow from investing activities :		
Investment in fixed assets including capital WIP	(8,281.22)	(8,082.43)
Sale of fixed assets	(1,389.00)	(1,618.12)
Increase in investments	29,270.59	(28,241.54)
Profit on sale of investments	652.79	843.47
Creditors for capital goods	8.76	(1,886.42)
Loan given to subsidiaries and other parties	6,886.04	(3,445.98)
Interest received	4,396.77	3,561.65
Dividend received	182.32	58.05
Increase in minority interest	338.51	340.25
Capital reserve on acquisition of subsidiaries	932.26	0.01
Net cash used in investing activities	32,997.82	(38,471.06)
C. Cash flow from financing activities :		
Increase in securities premium account	132.24	0.00
Proceeds from long term borrowings	13,190.70	19,381.96
Repayment of long term borrowings	(22,251.51)	(19,295.65)
Short term borrowings (net)	(16,441.99)	29,888.74
Interest paid	(12,041.73)	(11,292.42)
Dividend & dividend tax paid	(1,086.38)	(1,072.26)
Net cash from financing activities	(38,498.67)	17,610.36

Consolidated Cash Flow Statement

for the year ended 31st March 2015 (contd..)

Increase/(decrease) in cash and cash equivalent (A+B+C)	(9,146.96)	3,230.75
Cash and cash equivalent at the beginning of the year (as per note 19)	10,227.17	6,996.42
Cash and cash equivalent at the end of the year (as per note 19)	1,080.21	10,227.17
Increase/(decrease) in cash and cash equivalent	(9,146.96)	3,230.75
Notes:		
(a) Cash and cash equivalent include the following :		
Cash in hand	45.89	40.20
Balances with banks	1,088.53	10,236.45
Less : Unclaimed dividend	(54.21)	(49.48)
	1,080.21	10,227.17
(b) Previous year figures have been recast/restated wherever necessary.		
(c) Figures in brackets represent outflows.		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

K. K. Sarda
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DIN: 00008170

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Notes to Consolidated Financial Statements

for the year ended 31st March 2015

Significant accounting policies:

1) Basis of consolidation

The consolidated Financial Statements comprise individual financial statements of Sarda Energy & Minerals Limited, its subsidiaries, jointly controlled entities and associates as on March 31, 2015. The Consolidated Financial Statements have been prepared on the following basis:

- i. The Financial Statements of the Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealized profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' as specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014. 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 Reserves and Surplus.
- ii. The Financial Statements of jointly controlled entities have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions resulting in unrealized profits or losses as per Accounting Standard 27 on 'Financial Reporting of Interests in Joint Ventures' as specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014 using the proportionate consolidation method.
- iii. The Group's investments in associates are accounted under the equity method and its share of pre-acquisition profits / losses is reflected as Capital Reserve / Goodwill in the carrying value of investments in accordance with Accounting Standard 23 on 'Accounting for Investments in Consolidated Financial Statements' as specified under section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules 2014.
- iv. The Financial Statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2015.
- v. The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the Consolidated Financial Statements as Goodwill/Capital Reserve as the case may be.
- vi. Minority interest in the net assets of the subsidiaries consists of the amount of equity attributable to minorities at the date on which investments are made in subsidiaries. Net Profit for the year of the subsidiaries attributable to minorities is identified and adjusted against the Profit of the Group in order to arrive at the net profit attributable to the shareholders of the Group.

2) Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

3) Share Capital

	31.03.2015		31.03.2014	
	No.	₹ in lac	No.	₹ in lac
Authorised				
Equity shares of ₹ 10/- each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 10/- each	3,59,52,353	3,595.24	3,58,50,000	3,585.00
	3,59,52,353	3,595.24	3,58,50,000	3,585.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31.03.2015		31.03.2014	
	No.	₹ in lac	No.	₹ in lac
Shares outstanding at the beginning of the year	3,58,50,000	3,585.00	3,58,50,000	3,585.00
Shares issued during the year	1,02,353	10.24	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,59,52,353	3,595.24	3,58,50,000	3,585.00

b Terms/rights attached to equity shares

The Company has only one class of shares - equity shares - having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

The Board of Directors of the Company, subject to the approval of the members in the ensuing general meeting, has proposed a dividend of ₹ 3/- per share (P.Y. ₹ 3/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholder	31.03.2015		31.03.2014	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Equity shares of ₹ 10/- each fully paid				
Chhatisgarh Investments Limited	1,22,94,179	34.20	1,22,65,657	34.21
Sarda Agriculture and Properties Private Limited	26,35,150	7.33	26,35,150	7.35
IDFC Ltd.	12,07,777	3.36	18,42,105	5.14
Asia Minerals Limited	18,04,891	5.02	18,04,891	5.03

4) Reserves and surplus

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Capital reserve		
Balance as per last financial statements	592.20	592.20
Add/(less): Adjustment during the year	932.26	-
Closing balance	1,524.46	592.20
Securities premium account		
Balance as per last financial statements	19,167.93	19,167.93
Add : Adjustment during the year	122.00	-
Closing balance	19,289.93	19,167.93
Debenture redemption reserve		
Balance as per last financial statements	2,500.00	1,875.00
Add : Transfer from surplus balance in statement of profit & loss	625.00	625.00
Closing balance	3,125.00	2,500.00
Employee Stock Option Outstanding		
Balance as per last financial statements	14.00	14.00
Less: Option exercised/forfeited during the year	(5.52)	-
	(A) 8.48	14.00
Employee stock option outstanding		
Balance as per last financial statements	6.50	11.16
Less: Amortization during the year	(4.67)	(4.67)
Less: Option forfeited during the year	(0.16)	-
	(B) 1.67	6.49
Closing balance	(A-B) 6.81	7.51

General reserve		
Balance as per last financial statements	14,057.75	12,557.75
Add: Transfer from surplus balance in statement of profit & loss	-	1,500.00
Closing balance	14,057.75	14,057.75
Foreign currency translation reserve	2,837.44	2,156.07
Surplus in the statement of profit and loss		
Balance as per last financial statements	72,748.99	66,846.41
Add : Profit for the year	5,491.01	9,103.08
<u>Less: Appropriations</u>		
Equity dividend	(1,077.78)	(1,075.50)
Tax on proposed equity dividend	(13.34)	-
Transfer to debenture redemption reserve	(625.00)	(625.00)
Transfer to general reserve	-	(1,500.00)
Closing balance	76,523.88	72,748.99
Total	1,17,365.27	1,11,230.45

5) Long term borrowings

	Non-Current Portion		Current Maturities	
	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
Bonds/debentures (secured)				
1,250 (1,250) 9.55 % Redeemable non-convertible debentures of ₹ 10/- lac each	8,333.33	12,500.00	4,166.67	-
Term loans (secured)				
<u>From banks</u>				
Indian rupee loan	33,735.89	29,144.57	7,352.89	4,755.89
Foreign currency loan	-	-	-	9,948.21
<u>From others</u>				
Indian rupee loan from financial institutions	39,529.80	46,245.67	6,477.77	6,477.78
Hire purchase loans	521.88	-	358.82	-
	82,120.90	87,890.24	18,356.15	21,181.88
Deferred payment liabilities				
Deferred sales tax loan (unsecured)	-	464.78	475.22	476.19
Loans & advances (unsecured)				
From other parties	1.24	1.24	-	-
Total	82,122.14	88,356.26	18,831.37	21,658.07

6) Deferred tax liabilities

	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
Deferred tax liabilities at the beginning of the year	7,157.25	4,531.81
Deferred tax liabilities during the year on account of timing difference	644.73	2,625.44
Deferred tax liabilities at the end of the year	7,801.98	7,157.25

7) Other long term liabilities

	31.03.2015 ₹ in lac	31.03.2014 ₹ in lac
Creditors for capital goods	837.31	846.07
Others		
Security deposit received		
Deposit from vendors	353.79	1,177.55
Deposit from employees	96.88	84.55
Other payables	37.43	32.71
Total	1,325.41	2,140.88

8) Long term provisions

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Provision for employee benefits		
Leave encashment / Gratuity	312.78	254.52
Other provisions		
Statutory liabilities	791.35	762.15
Mines restoration expenses	311.99	202.88
OB reserve	1,947.37	1,639.58
Total	3,363.49	2,859.13

9) Short term borrowings

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Loans repayable on demand (secured)		
<u>From banks</u>		
Short term loans	15,506.60	41,777.43
Working capital loans	15,644.73	8,259.41
Buyers credit facilities	12,308.65	7,632.22
	43,459.98	57,669.06
Loans repayable on demand (unsecured)		
<u>From banks</u>		
Short term loans	3,500.00	4,500.00
Other loans and advances (unsecured)		
Loans from other parties	297.80	1,471.56
	3,797.80	5,971.56
Total	47,257.78	63,640.62

10) Other current liabilities

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Current maturities of long-term debt (refer note no. 5)	18,831.37	21,658.07
Interest accrued but not due on borrowings	1,040.61	1,046.58
Unpaid dividends	54.21	49.48
Other payables		
Indirect taxes payable	1,148.09	294.72
TDS payable	178.99	189.89
Salary & reimbursements	1,013.90	1,133.54
Deposits from vendors	104.10	32.59
Expenses payable	3,389.30	784.36
Advances from customers	521.55	472.70
Deposits from Customers	272.47	-
Total	26,554.59	25,661.93

11) Short term provisions

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Provision for employee benefits		
Leave encashment / Gratuity	105.48	15.35
Others		
Provision for expenses	758.29	790.09
Provision for Income tax	16.95	-
Total	880.72	805.44

12) Fixed assets

Tangible fixed assets

(₹ in lac)

Particulars	Gross Block		Depreciation		Net Block			
	As on 01.04.2014	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2015	Up to 01.04.2014 Depreciation for the year	Transfer / Adjustment	As on 31.03.2015	As on 31.03.2014
Freehold land	6,505.14	-	-	6,505.14	-	-	6,505.14	6,505.14
Leasehold land	1,571.17	366.45	-	1,937.62	25.30	-	1,856.30	1,515.15
Building	29,523.63	845.24	896.75	29,472.12	1,765.60	63.20	23,747.19	25,501.09
Plant & machinery	1,39,532.74	3,399.76	530.78	1,42,401.72	6,859.83	254.76	95,316.26	99,052.15
Furniture, fixture & equipments	1,101.17	115.57	8.51	1,208.23	248.77	0.94	417.47	595.11
Vehicles	1,222.36	196.38	140.77	1,277.97	202.98	93.07	560.06	577.69
Total	1,79,456.21	4,923.40	1,576.81	1,82,802.80	9,102.48	411.97	1,28,402.42	1,33,746.33
Depreciation taken to preoperative expenses					28.06			
Net depreciation during the year					9,074.41			
Previous year	1,74,974.81	5,184.88	703.48	1,79,456.21	9,359.80	464.00	1,33,746.33	1,38,160.74
Capital work in progress (including capital stock)							44,103.84	37,506.87

Intangible fixed assets

(₹ in lac)

Particulars	Gross Block		Depreciation		Net Block			
	As on 01.04.2014	Addition during the year	Transfer / Sale / Adjustment	As on 31.03.2015	Up to 01.04.2014 Depreciation for the year	Transfer / Adjustment	As on 31.03.2015	As on 31.03.2014
Goodwill	234.73	93.06	-	327.79	-	-	327.79	234.73
Computer software	283.66	65.64	-	349.30	24.51	-	98.33	57.20
Minig rights & development	4,885.82	-	-	4,885.82	190.67	-	3,920.96	4,111.63
Rights to use land	148.07	379.43	-	527.50	8.71	-	511.30	140.58
Total	5,552.28	538.13	-	6,090.41	223.89	-	4,858.38	4,544.14
Previous year	5,405.45	146.83	-	5,552.28	215.81	-	4,544.14	4,613.12
Intangible assets under development							37.37	36.35

13) Non current investments

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Trade investments		
Investment in equity instruments at cost (unquoted)		
Fully paid up with face value of ₹ 10/- each unless otherwise specified		
<u>In associates</u>		
5,000 (P.Y. 5,000) Equity shares of Natural Resources Energy Private Limited	-	0.50
<u>In other companies</u>		
4,85,000 (P.Y. 4,85,000) Equity shares of Chhattisgarh Ispat Bhumi Limited	48.50	48.50
3,45,000 (P.Y. 2,40,000) Equity Shares of Sarda Dairy & Food Product Pvt. Ltd.	369.38	240.00
Non trade investment		
Investment in government or trust securities		
49,990 units (P.Y. 49,990 units) of KBC Mutual Fund	5.00	5.00
Total	422.88	294.00

14) Long term loans and advances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Capital advances		
Unsecured, considered good	8,619.16	10,039.72
Security deposits		
Unsecured, considered good	649.14	788.22
Other loans and advances		
Unsecured, considered good		
MAT credit entitlement	525.00	741.69
Advance income tax (net of provision)	2,024.78	1,484.68
Prepaid expenses	35.55	78.27
Other advances	989.48	901.40
Total	12,843.11	14,033.98

15) Other non current assets

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Others		
Unsecured, considered good		
Unamortized expenses	10.93	34.18
Total	10.93	34.18

16) Current investments

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Investment in equity instruments (quoted)		
(valued at lower of cost or market value)		
fully paid up with face value of ₹ 10/- each		

<u>In other companies</u>		
32,813 (P.Y. 32,813) Equity shares of Abhishek Corporation Limited	32.81	32.81
3,688 (P.Y. 3,688) Equity shares of Indian Metals & Ferro Alloys Limited	1.84	1.84
Nil (P.Y. 12,400) Equity shares of Mangalam Cement Limited	-	24.47
Less: provision for dimunition in the value of investments	(28.56)	(33.51)
	6.09	25.61
Investment in debentures / bonds (quoted)	22,205.22	17,035.43
Less : provision for dimunition in the value of investments	1,031.23	927.34
Total	21,173.99	16,108.09
Investments in mutual funds		
27,400.917 Units (P.Y. Nil) of IDBI Liquid Fund-Direct Plan Growth	-	374.31
7,930.926 Units (P.Y. 8,737.157 Units) of UTI Mutual Fund	40.73	35.56
	40.73	409.87
Investments in bank fixed deposit (Pledged)	6,252.55	40,329.26
Total	27,473.37	56,872.83

17) Inventories

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
(Valued at lower of cost and net realisable value)		
Raw materials and components	11,067.68	9,797.79
Finished / Semi finished goods	27,564.39	14,371.89
Stock-in-trade	212.15	1,309.21
Stores and spares	3,953.27	2,967.38
Total	42,797.49	28,446.27

18) Trade receivables

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	190.74	52.46
Unsecured, considered doubtful	267.16	154.36
Less: Provision for doubtful debts	267.16	154.36
	190.74	52.46
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	9,538.89	6,432.24
	9,538.89	6,432.24
Total	9,729.63	6,484.70

19) Cash and bank balances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Balances with banks		
In current accounts	414.58	3,432.81

In fixed deposit	619.74	6,754.16
In unpaid dividend	54.21	49.48
Cash in hand	45.89	40.20
Total	1,134.42	10,276.65

20) Short term loans and advances

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Loans and advances to related parties (Refer note no.34)		
Unsecured, considered good	13,517.00	9,945.60
	13,517.00	9,945.60
Others		
Unsecured, considered good		
Earnest money deposit	20.75	72.72
Advances to employees	81.45	112.59
Advances to vendors	4,852.75	4,335.27
Claims & recoverables	2,924.45	970.89
Loans & advances to others	3,884.78	10,770.82
Advance royalty paid	2.86	22.98
Prepaid expenses	326.69	249.79
Balances with tax authorities	6,503.51	5,425.77
	18,597.24	21,960.83
Doubtful advances to vendors	89.53	89.53
Less: Provision for doubtful advances	89.53	89.53
Total	32,114.24	31,906.43

21) Other current assets

	31.03.2015	31.03.2014
	₹ in lac	₹ in lac
Interest and INR receivable from bank in forex	440.13	524.21
Unamortized expenses	21.97	40.35
Total	462.10	564.56

22) Revenue from operations (Gross)

	2014-15	2013-14
	₹ in lac	₹ in lac
Sale of products		
Sponge iron	27,103.10	32,672.34
Ferro alloys	63,054.93	42,032.29
Steel billets	10,500.24	8,570.08
Wire rod / HB wire	32,119.73	30,823.82
Pellet	18,255.11	13,567.02
Power	22,638.78	33,267.53
Others	14,872.32	9,437.65
Other operating revenues	1,791.60	1,623.52
Total	1,90,335.81	1,71,994.25

23) Other income

	2014-15	2013-14
	₹ in lac	₹ in lac
Interest income	4,396.79	3,561.65
Dividend income		-
From others	182.32	58.05
Net gain on sale of investments	652.79	843.47
Other non-operating income (net of expenses directly attributable to such income)	1,022.79	160.92
Total	6,254.69	4,624.09

24) Cost of raw material consumed

	2014-15	2013-14
	₹ in lac	₹ in lac
Iron ore	24,181.41	25,892.16
Manganese ore	27,376.44	17,185.42
Coal	31,246.67	28,583.13
Scrap	5,266.73	3,532.67
Other material	4,102.45	1,666.24
Total	92,173.70	76,859.62

25) Changes in inventories of finished goods, semi-finished goods and stock-in-trade

	2014-15	2013-14
	₹ in lac	₹ in lac
Inventories at the end of the year		
Finished goods / semi-finished goods	27,564.39	14,371.89
Trading goods	37.68	1,309.21
	27,602.07	15,681.10
Inventories at the beginning of the year		
Finished goods / semi-finished goods	14,371.89	12,202.86
Trading goods	1,309.21	33.67
	15,681.10	12,236.53
Increase/(decrease) in inventories	11,920.97	3,444.57

26) Employee benefit expense

	2014-15	2013-14
	₹ in lac	₹ in lac
Salaries, incentives & managerial remuneration	6,554.81	5,761.72
Contributions to -		
Provident fund	313.29	289.39
Superannuation scheme	9.00	7.71
Gratuity fund	128.08	131.48
Staff welfare expenses	207.29	163.66
Total	7,212.47	6,353.96

27) Finance costs

	2014-15	2013-14
	₹ in lac	₹ in lac
Interest expense	10,685.19	10,293.97
Other borrowing costs	997.08	540.89
Amortization of ancillary borrowing costs	40.34	52.63
Exchange differences to the extent considered as an adjustment to borrowing costs	313.15	1,364.86
Total	12,035.76	12,252.35

28) Depreciation and amortization

	2014-15	2013-14
	₹ in lac	₹ in lac
Depreciation of tangible assets	9,074.43	9,339.36
Amortization of intangible assets	223.87	215.80
Total	9,298.30	9,555.16

29) Other expenses

	2014-15	2013-14
	₹ in lac	₹ in lac
Stores & spares consumption	8,086.52	9,031.39
Power & fuel	1,639.91	1,465.08
Manufacturing expenses		
Plant process & services	2,188.06	1,506.71
Material handling expenses	3,538.76	2,991.19
Other manufacturing expenses	8,727.34	4,515.93
Increase/ (decrease) of excise duty on inventory	180.49	299.64
Mining expenses	8,388.05	4,274.82
Repairs & maintenance		
Building	290.24	165.52
Plant & machinery	1,153.47	1,009.17
Others	458.42	362.68
Rent	209.14	225.68
Rates & taxes	4,225.49	3,005.63
Insurance charges	207.81	181.51
Miscellaneous expenses		
Travelling & conveyance expenses	630.84	590.00
Legal & professional expenses	721.73	683.29
Administrative and other expenses	1,214.95	987.82
Selling expenses		
Carriage outward	1,569.59	1,458.85
Selling commission & brokerage	358.92	353.51
Other selling expenses	542.97	952.41
Exchange differences (net)	44.59	1,008.75
Payment to auditors	33.76	34.59
Provision for diminution in value of current investment	1,001.90	0.62
Total	45,412.95	35,104.79

30) Earnings per share (EPS)

	2014-15	2013-14
Net Profit after tax (before prior period deferred tax) as per Statement of Profit & Loss attributable to equity shareholders (₹ in lac)	5,491.01	10,613.33
Net Profit after tax (after prior period deferred tax) as per Statement of Profit & Loss attributable to equity shareholders (₹ in lac)	5,491.01	9,103.07
Nominal value of equity shares (₹)	10	10
Weighted average number of equity shares used as denominator for calculating basic EPS	3,59,11,160	3,58,50,000
Weighted average number of equity shares used as denominator for calculating Diluted EPS	3,59,72,520	3,58,50,000
Basic (Before prior period Deferred Tax) (₹)	15.29	29.60
Basic (After prior period Deferred Tax) (₹)	15.26	25.39
Diluted (Before prior period Deferred Tax) (₹)	15.29	29.60
Diluted (After prior period Deferred Tax) (₹)	15.26	25.39

31) Segment reporting

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

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

A) Business segment-primary

(₹ in lac)

Particulars	2014-2015				2013-2014			
	Steel	Ferro	Power	Total	Steel	Ferro	Power	Total
Revenue								
Sales & other income	87,552.56	59,944.73	29,085.18	1,76,582.48	77,118.02	47,582.71	33,465.24	1,58,165.97
Inter segment sales		725.01	13,435.23	14,160.24		523.65	12,410.86	12,934.51
Others unallocated				922.54				971.70
Total revenue	87,552.56	60,669.74	42,520.41	1,91,665.25	77,118.02	48,106.36	45,876.10	1,72,072.18
Result								
Segment result	10,742.05	5,666.58	9,015.12	25,423.75	13,405.61	6,381.20	10,440.02	30,226.83
Unallocated expenses net off unallocated income				(4,615.62)				(1,523.40)
Operating profit				20,808.13				28,703.43
Interest & forex fluctuation loss (net)				(12,080.34)				(13,261.10)
Profit before tax & extraordinary item				8,727.79				15,442.33
<u>Provision for taxation</u>								
For current year				(2,592.26)				(3,799.81)
For deferred taxation				(644.78)				(2,625.44)
MAT credit entitlement				140.00				192.78
Share of loss of associates								
Others unallocated								
Minority interest								
Others unallocated				(139.73)				(106.79)
Profit after taxation				5,491.01				9,103.07
Other information								
Segment assets	82,248.52	47,599.11	1,15,449.13	2,45,296.76	79,727.01	39,401.36	96,116.11	2,15,244.48
Unallocated assets				27,611.44				49,095.74

Total assets	2,72,908.20				2,64,340.22			
Segment liabilities	8,652.58	6,098.36	3,311.24	18,062.19	4,484.57	8,860.14	5,880.13	19,224.84
Unallocated liabilities	994.74				10,287.44			
Total liabilities	19,056.93				29,512.28			
Capital expenditure	1,318.85	775.96	12,152.83	14,247.64	2,544.78	527.76	12,300.21	15,372.75
Depreciation / amortization	4,845.32	1,307.55	1,695.34	7,848.22	4,064.55	1,461.29	3,241.61	8,767.45
Unallocated capital exp. & depreciation	(3,018.12)				769.12			

32) Interest in subsidiaries

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

Name of Subsidiaries	Country of Origin	Proportion of ownership interest as at 31 st March (%)	
		2015	2014
Sarda Energy & Minerals Hongkong Limited	Hongkong	100.00	100.00
Sarda Global Ventures Pte Limited	Singapore	100.00	100.00
Sarda Metals and Alloys Limited	India	100.00	100.00
Sarda Energy Limited	India	100.00	100.00
Chhattisgrah Hydro Power LLP	India	60.95	60.92
Parvatiya Power Limited	India	51.00	51.00
Madhya Bharat Power Corporation Limited	India	67.59	58.73
Shri Ram Electricity LLP	India	51.00	51.00
Sarda Hydro Power Private Limited	India	60.00	60.00
Raipur Fabritech Private Limited	India	52.38	52.38
Raipur Industrial Gases Private Limited	India	51.00	51.00
Natural Resources Energy Private Ltd.	India	100.00	50.00

33) Interest in joint ventures

The financial statements of the following joint ventures have been considered in consolidation:-

Name of the Company	Proportion of ownership interest as at 31 st March (%)	
	2015	2014
Raipur Infrastructure Company Limited	33.33	33.33
Madanpur South Coal Company Limited	20.63	20.63
Godawari Natural Resources Ltd.	29.98	NIL

The above joint venture companies are incorporated in India. The group's share of the assets and liabilities as on 31st March, 2015 and income and expenses for the year ended on that date are given below which are based on audited figures of the joint venture companies.

(₹ in lac)

Particulars	As at 31 st March	
	2015	2014
Assets		
Non current assets	529.12	642.26
Current assets	289.62	301.11
Total	818.74	943.37
Liabilities		
Non current liabilities	1.02	7.76
Current liabilities	10.77	37.27
Total	11.79	45.03

Income	189.22	184.98
Expenses	156.52	52.58
Contingent liabilities	---	899.88
Capital commitments	NIL	12.34

The Madanpur South Coal block allotted in JV (in which the Company's share is 20.63%) had been cancelled by the government because the JV could not achieve the milestones. The cancellation has been challenged in the High Court at Bilaspur because the delay was on account of delay in government approvals. The HC had granted stay on the cancellation. In the meantime, the Hon'ble Supreme Court has cancelled all coal blocks vide its order. The company has invested ₹ 321.61 lac in the said Joint venture company as its contribution. No impairment has been booked against the investment because the Company feels that realizable value of the assets (including land) shall be more than the value of investment.

34) Related party disclosure

a) Names of related parties and description of relationship

S.No.	Relationship	Names of Related Parties
1	Related enterprises where significant influence exists	Chhatisgarh Investments Limited Sarda Power and Steels Limited R.R. Sarda & Company Rishabh Mining & Transport Co. Pvt. Ltd. Sarda Dairy & Food Products Pvt. Ltd. Mosh Varaya Infrastructure Pvt. Ltd. Jai Balaji Enterprises M/s A. V. Associates Vikas Associates Kashmirilal Constructions Pvt. Ltd. Apex Equipment Pvt. Ltd.
2	Key management personnel (KMP)	Mr. Kamal Kishore Sarda Mr. Pankaj Sarda Mrs. Uma Sarda Mr. Ghanshyam Das Mundra Mr. Padam Kumar Jain Mr. Manish Sethi Ms. Sheen Agarwal Mr. Manish Sarda Mr. Neeraj Sarda Mrs. Sonal Sarda Mr. Binod Goswami Mr. Gopal Krishna Chhanghani
3	Relative of key management personnel	Mr. Ghanshyam Sarda Mrs. Veena Sarda

b) Material transactions with related parties

(₹ in lac)

Particulars	Related enterprises where significant influence exists	Key Management Personnel	Relatives of Key Management Personnel
Remuneration		630.61 (488.49)	(---) (7.34)
Rent paid	108.85 (99.98)	10.44 (10.44)	4.20 (4.20)
Loans granted	14,513.12 (24,501.91)		
Loans received back	12,112.46 (20,450.70)		

Loans taken	(---)	1.00	
	(---)	(---)	
Loans repaid	(---)		
	(14.84)		
Interest paid	0.11		
	(0.11)		
Interest received	1,394.58		
	(1,322.28)		
Sale of goods	335.79		
	(133.04)		
Purchase of Goods	12.40		
	(5.29)		
Services offered	3,381.24		
	(2,346.57)		
Commission Paid	5.79		
	(2.65)		
Investment made	129.38		
	(240.00)		
<u>Outstanding as on 31st March</u>			
Receivables	368.82	3.64	(---)
	(35.81)	(19.17)	(0.07)
Loans receivables	13,517.00		
	(9,945.60)		
Loans Payable		1.00	
		(---)	
Payables	85.01	1.28	1.69
	(342.43)	(0.87)	(---)

35) Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account, net of advance given ₹ 34,853.17 lac (P.Y. ₹ 29,685.69 lac).

36) Proposed dividend

Board of Directors have recommended dividend of ₹ 3/- (P.Y. ₹ 3/-) per share for equity share of ₹ 10/- each totaling ₹ 1,078.57 lac (P.Y. ₹ 1,077.78 lac) for the year ended March 31, 2015.

37) Contingent liabilities

(₹ in lac)

Particulars	Year Ended 31 st March 2015 ₹ in lac	Year Ended 31 st March 2014 ₹ in lac
Guarantees given by group's bankers	2,585.43	2,212.70
Share of guarantees given by the jointly controlled entity	NIL	900.00
Guarantees given to DGFT on behalf of wholly owned subsidiary for meeting export obligation	98.88	98.88
Guarantees given to Assistant Commissioner of Customs on behalf of wholly owned subsidiary	318.21	318.21
Corporate Guarantee given to Axis Bank Ltd. for disbursement of term loan to Sarda Metals & Alloys Ltd., wholly owned subsidiary of the Company	NIL	6,412.00
Bills discounted with the group's bankers under Letters of Credit	3,156.28	5,851.50
Claims against the group, not acknowledged as debt & disputed in appeals	1,500.79	9,418.68
Excise Duty & Service Tax Demand	418.36	379.27

VAT, CST & Entry Tax	124.81	111.75
Income Tax	46.58	2,281.93
Energy Development Cess	3,933.80	3,363.80
Electricity Duty on sale of power through Exchange	NIL	85.23

- i) Guarantee (equal to Company's share in Joint Venture) given by the Company to IDBI Bank Limited against guarantee issued by the Bank in favour of Government of India on behalf of Madanpur South Coal Company Limited (The Joint Venture Company for Coal Mining) NIL (P.Y. ₹ 900.00 lac).
- ii) Guarantee given to Director General of Foreign Trade ₹ 98.88 lac (P.Y. ₹ 98.88 lac) and Assistant Commissioner of Customs ₹ 318.21 lac (P.Y. ₹ 318.21 lac) on behalf of Sarda Metals & Alloys Limited, wholly owned subsidiary of the Company for fulfillment of export obligation against import of capital goods under Export Promotion Capital Goods Scheme.
- iii) Claim against the group not acknowledged as debt comprises idle time claimed by main Civil Contractor M/s. SEW Infrastructures Limited of Madhya Bharat Power Corporation Ltd. amounting to ₹ 1,321.16 lac (P.Y. ₹ 9,199.04 lac) as on the Balance Sheet date. However the Company is contesting the demand by counter claim on the contractor for breach of settlement agreement. Besides this disputed claims of ₹ 179.63 lac (P.Y. ₹ 219.63 lac) are pending in various court of law.
- iv) Excise duty & Service tax
- Excise duty demand of ₹ 20.56 lac (P.Y. ₹ 20.56 lac) raised on account of Cenvat credit availed, which the Company has disputed in High Court.
 - Excise Duty demand of ₹ 174.51 lac (P.Y. ₹ 176.10 lac) raised on account of Cenvat credit availed which the Company has disputed and has filed appeal before the Central Excise & Service Tax Appellate Tribunal (CESTAT).
 - Excise Duty demand of ₹ 129.39 lac (P.Y. ₹ 130.27 lac) raised on account of Cenvat credit availed which the Department has disputed and has filed appeal before the CESTAT.
 - ₹ 6.97 lac (P.Y. ₹ 6.97 lac) on account of duty on VAT collected by the Company against which the Company has filed an appeal before the CESTAT.
 - ₹ 6.66 lac (P.Y. ₹ 6.66 lac) on account of duty on sale of waste and scrap by the Company. The case has been decided in favour of the Company by Commissioner Central Excise (Appeals) (CCE(A)). The Central Excise Department has filed appeal before the CESTAT against decision of the CCE(A).
 - Excise Duty demand of ₹ 41.56 lac (P.Y. ₹ NIL) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
 - Excise Duty demand of ₹ 7.62 lac (P.Y. ₹ 7.62 lac) raised on account of Cenvat credit availed has been disputed before Commissioner (Appeals), Raipur.
 - Service Tax demand of ₹ 31.09 lac (P.Y. ₹ 31.09 lac) raised on account of Service Tax on foreign services availed, which the Department has disputed and has filed appeal before CESTAT.
- v) Value added tax/Central sales tax/Entry tax
Value Added Tax/Central Sales Tax/ Entry Tax demands of ₹ 124.81 lac (P.Y. ₹ 111.75 lac) are pending in appeal against assessment of various years.
- vi) Income tax
NIL (P.Y. ₹ 2,080.80 lac) for the Assessment Year 2009-10 and NIL (P.Y. ₹ 201.13 lac) for the Assessment year 2010-11 and 46.58 lac (P.Y. ₹ NIL) for the Assessment Year 2012-13 on account of partial disallowance of deduction claimed under Section 80IA of the Income Tax Act, 1961, disputing the transfer pricing of Power captively consumed by other divisions. For Assessment year 2012-13, the Company has filed appeals before Commissioner of Income Tax (Appeals), Nagpur and the matter is pending. For the A.Y. 2009-10 and A.Y. 2010-11, the Commissioner of Income Tax (Appeals), Nagpur has pronounced the judgments order in favour of the Company by its order dated 25.03.2015.
- vii) Energy Development Cess of ₹ 3,933.80 lac (P.Y. ₹ 3,363.80 lac) net of amount deposited ₹ 294.34 lac (P.Y. ₹ 294.34 lac) demanded by the Chief Electrical Inspector, Govt. of Chhattisgarh for the period May 2006 to February 2014. The Honorable

High Court of Chhattisgarh has held the levy of Energy Development Cess as unconstitutional vide its Order dated 20th June 2008. The State Govt. has filed a Special Leave Petition before the Honorable Supreme Court.

38. Provision of contingencies – ₹ NIL

39. During the year, the Income Tax Department has conducted a search/survey operation U/s 132/133A of the Income Tax Act, 1961 in Sarda Group. During the course of search/survey:-

- i) The various documents and records have been seized by them and physical verification of stocks was also conducted by independent agencies appointed by them.
- ii) The group does not foresee any liability at this stage, however the due provision of liability, if any, shall be made after completion of the block assessment.

40. Effective from 1st April 2014, the useful lives of fixed assets have been revised in accordance with Schedule II to the Companies Act, 2013. Consequently, the depreciation for the year ended 31st March 2015 is lower by ₹ 263.99 lac. Further, pursuant to the transitional provision provided in schedule II to the Act, the Company has opted to charge the carrying amount of the assets with no useful life as on 1st April 2014 being ₹ 135.38 lac, to the Statement of Profit & Loss as depreciation.

41. Exceptional Item includes:

- i) Additional Govt. levy of ₹ 10,755.36 lac paid in pursuance of the Supreme Court order dated 24th September 2014 on coal extracted from its captive coal mines since commissioning till 31.03.2014.
- ii) Write off of expenses incurred on thermal power projects which have now been shelved in view of the change in the Government policy for allocation of coal blocks being ₹ 3,172.09 lac.

42. In pursuance of the order dated 24th September 2014 issued by the Hon'ble Supreme Court of India deallocating 204 coal blocks, the allotment of coal block Gare Palma IV/7 to the Company, which was in operation since 2009 stands cancelled w.e.f. 1st April 2015. The Company has filed a writ petition before the Hon'ble High court of Delhi challenging the compensation amount and exclusion of washary from the mine infrastructure. Since, the matter is subjudice, pending settlement of the claim, no adjustment has been made in the accounts for the impairment, if any.

43) Derivative Instruments and Unhedged foreign currency exposure

a) Derivatives outstanding as at the reporting date:

Particulars	Purpose	31.03.2015		31.03.2014	
		FC in lac	INR in lac	FC in lac	INR in lac
Forward Contract to sell USD	To hedge receivables	197.33	12,332.17	255.00	15,269.40
Forward Contract to sell EURO	To hedge receivables	15.00	1,007.36	--	--

b) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	Currency	31.03.2015		31.03.2014	
		Foreign Currency in lac	INR in lac	Foreign Currency in lac	INR in lac
ECB & other bank loans	USD	246.55	15,408.10	835.39	50,022.99
ECB	JPY	---	---	2,675.00	1,565.01
Unsecured loan	USD	---	---	24.47	1,465.39
Trade & other payable	EURO	11.11	746.12	3.60	296.15
Trade & other payable	USD	247.55	15,470.35	285.15	17,074.90
Investment held for trading	USD	336.71	21,042.75	272.66	16,327.03
Other investment	USD	99.41	6,212.83	671.28	40,196.38
Trade & other receivables	USD	82.92	5,181.94	94.88	5,681.33
Cash & cash equivalent	USD	0.26	8.50	16.83	1,007.98

44) Previous year figures have been recasted / regrouped / restated wherever necessary to make them comparable.

SIGNATURE TO NOTES "1" TO "44"

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lac)	As % of consolidated profit or loss	Amount (₹ in lac)
Parent				
Sarda Energy & Minerals Ltd.	85.26	1,03,130.29	101.69	5,583.57
Subsidiary				
Indian				
SMAL - Sarda Metals & Alloys Ltd.	12.85	15,543.17	6.64	364.62
SEL - Sarda Energy Ltd.	7.50	9,069.04	(11.06)	(607.45)
CHP LLP - Chhattisgarh Hydro Power LLP	2.48	3,001.81	0.00	0.00
MBPCL - Madhya Bharat Power Corporation Ltd.	11.64	14,079.54	(0.06)	(3.10)
PPL - Parvatiya Power Ltd	2.22	2,682.02	5.23	287.22
SHPPL- Sarda Hydro Power Pvt. Ltd.	0.03	35.82	0.00	0.00
SRE LLP - Shri Ram Electricity LLP	0.25	300.70	(0.92)	(50.31)
RFPL- Raipur Fabritech Pvt. Ltd.	0.00	2.10	0.00	0.00
RIGPL- Raipur Industrial Gases Pvt. Ltd.	0.00	1.00	0.00	0.00
NREPL- Natural Resources Energy Pvt. Ltd.	0.00	(4.30)	(0.09)	(5.08)
Foreign				
SEMHL - Sarda Energy & Minerals Hongkong Ltd.	12.85	15,543.17	24.44	1,341.96
SGV - Sarda Global Venture Pte. Ltd.	0.27	321.99	(1.20)	(65.85)
Joint Venture				
RICL- Raipur Infrastructure Company Ltd.	0.43	519.55	0.62	34.15
MSCCL- Madanpur South Coal Company Ltd.	0.21	254.55	(1.21)	(66.61)
GNRL- Godawari Natural Resources Ltd.	0.00	1.65	0.00	0.03
Minority Interest in all subsidiaries	5.84	7,065.06	2.54	139.73

**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 / associates / Joint venture**

A) Summary of Financial Information of Subsidiary Companies as on 31.03.2015

S. No.	Particulars/Name of the subsidiary company	SEMHKL		SGV		SMAL		CHP LLP		PPL		MBPCL		SEL		SRELLP		SHPPL		RFPL		RIGPL		NREPL	
		Hongkong	India	Singapore	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India	India
1	Financial year of the Subsidiary Company/LLP ended on	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
2	Date from which it became Subsidiary Company/LLP	12 th Sep. 2007	15 th June, 2009	12 th June, 2008	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010
3	Capital	80.63	2,101.60	631.55	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81	153.57	3,001.81
4	Reserves & Surplus	15,462.53	21,238.45	(309.56)	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45	2,528.45	21,238.45
5	Total Assets	31,059.66	80,477.29	2,652.73	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29	2,917.16	80,477.29
6	Total Liabilities	15,543.17	23,340.05	321.99	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05	2,682.02	23,340.05
7	Investments	26,864.20	0.28	562.33	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28	369.38	0.28
8	Turnover	3,097.96	42,107.50	3.23	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50	642.92	42,107.50
9	Profit before Taxation	1,341.96	704.72	(65.85)	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72	363.19	704.72
10	Provision for Taxation	-	340.10	-	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10	75.97	340.10
11	Profit After Taxation	1,341.96	364.62	(65.85)	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62	146.48	364.62
12	Proposed Dividend	1,125.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of Shareholding	100.00%	100.00%	100.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%	51.00%	60.95%
14	Whether commenced operation	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No

The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given based on the exchange rates as on 31.03.2015, i.e. 1HK\$ = INR 8.0634 [SEMHKL] and 1US\$ = INR 62.5300 [SGV]

Note:

- SEMHKL - Sarda Energy & Minerals Hongkong Ltd.
- SGV - Sarda Global Venture Pte. Ltd.
- SMAL - Sarda Metals & Alloys Ltd.
- SEL - Sarda Energy Ltd.
- CHPPL - Chhattisgarh Hydro Power LLP
- MBPCL - Madhya Bharat Power Corporation Ltd.
- PPL - Panvatiya Power Ltd.
- SHPPL - Sarda Hydro Power Pvt.Ltd.
- SRE LLP - Shri Ram Electricity LLP
- RFPL - Raipur Fabritech Pvt. Ltd.
- RIGPL - Raipur Industrial Gases Pvt. Ltd.
- NREPL - Natural Resources Energy Pvt. Ltd.

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

B) Summary of Financial Information of Joint Ventures as on 31.03.2015

(₹ in lac)

S. No.	Particulars/Name of the Joint Venture	RICL India	MSCCL India	GNRL India
1	Financial year of the Joint Venture ended on	31 st March, 2015	31 st March, 2015	31 st March, 2015
2	Share of Joint Ventures held by the company on the year end			
	No.	1,30,800	2,30,144	14,990
	Amount of Investment	210.70	321.61	1.50
	Extend of Holding %	33.33%	20.63%	29.98%
3	Networth	519.55	254.55	1.65
4	Profit/(Loss) for the year			
	i. Considered in Consolidation	34.15	(66.61)	0.03
	ii. Not Considered in Consolidation	-	-	-
5	Whether commenced operation	Yes	No	No

Name of Associate which have been converted in to subsidiary during the year -

1. Natural Resources Energy Pvt. Ltd.

Note:

1. RICL- Raipur Infrastructure Company Ltd.
2. MSCCL- Madanpur South Coal Company Ltd.
3. GNRL- Godawari Natural Resources Ltd.

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

Sanjay Singhania
Partner
Membership No. 076961

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

P. K. Jain
CFO

Manish Sethi
Company Secretary

Raipur, 23rd May, 2015

Raipur, 23rd May, 2015

Sharepro Services (India) Pvt. Ltd.
Sam Hita Warehousing Complex
Warehouse No.52 & 53, Plot No.13AB
2nd Floor, Sakinaka
Mumbai 400 072

Dear Sirs,

UPDATION OF SHAREHOLDER INFORMATION

Please fill-in the information in CAPITAL LETTERS in ENGLISH ONLY. Please TICK whichever is applicable

General Information

Folio no. / DP ID-Client ID	:	
Name of first named shareholder	:	
PAN*	:	
CIN/Registration No.* (for corporate shareholders only)	:	
Telephone No. (with STD Code)	:	
Mobile No.	:	
Email Id:	:	

* Self attested copy of the document is enclosed

Bank Details

Bank Name	:	
Branch Address	:	
Branch Code	:	
Account Type (Savings/Current/Cash Credit)	:	
Account No.	:	
MICR Code (9 digit)	:	
IFSC (11 digit)	:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, Sarda Energy & Minerals Ltd. and /or Sharepro Services (India) Pvt. Ltd. will not be held responsible. I/We undertake to inform any subsequent changes in the above particulars as and when changes take place.

Place:

Date:

Signature of Sole/First shareholder

SARDA ENERGY & MINERALS LIMITED

Regd. Off: 73-A, Central Avenue, Nagpur (M.H.) 440018
Ph: +91-712-2722407 Fax: +91-712-2722107 Email: cs@seml.co.in website: www.seml.co.in
CIN: L27100MH1973PLC016617

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting hall)

Registered Folio No. / DP ID-Client ID	
Name of Shareholder	
Address	

I certify that I am a registered Shareholder of the Company and hold _____ shares.

I hereby record my presence at the 42nd ANNUAL GENERAL MEETING of the Company, at Hotel Pride, opp. Airport, Wardha Road, Nagpur (M.H.) to be held on Monday, 28th September, 2015 at 3.00 p.m. and at any adjournment thereof.

Member's/Proxy's signature

NOTES:

1. A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance duly signed.
2. If you intend to appoint a proxy, please complete the proxy form given below and deposit it at the Company's Registered Office at least 48 hours before the meeting.
3. If you are attending the meeting in person or by proxy please bring copy of notice and annual report for reference at the meeting.

FORM No. MGT - 11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L27100MH1973PLC016617
Name of the company: Sarda Energy & Minerals Limited
Registered office: 73-A, Central Avenue, Nagpur (M.H.) 440018

Name of Shareholder(s)	:	
Registered Address	:	
E-mail id	:	
Folio No. / Client ID	:	
DP ID	:	

I/We, being the member (s) of Sarda Energy & Minerals Ltd., shares of the above named company, hereby appoint:

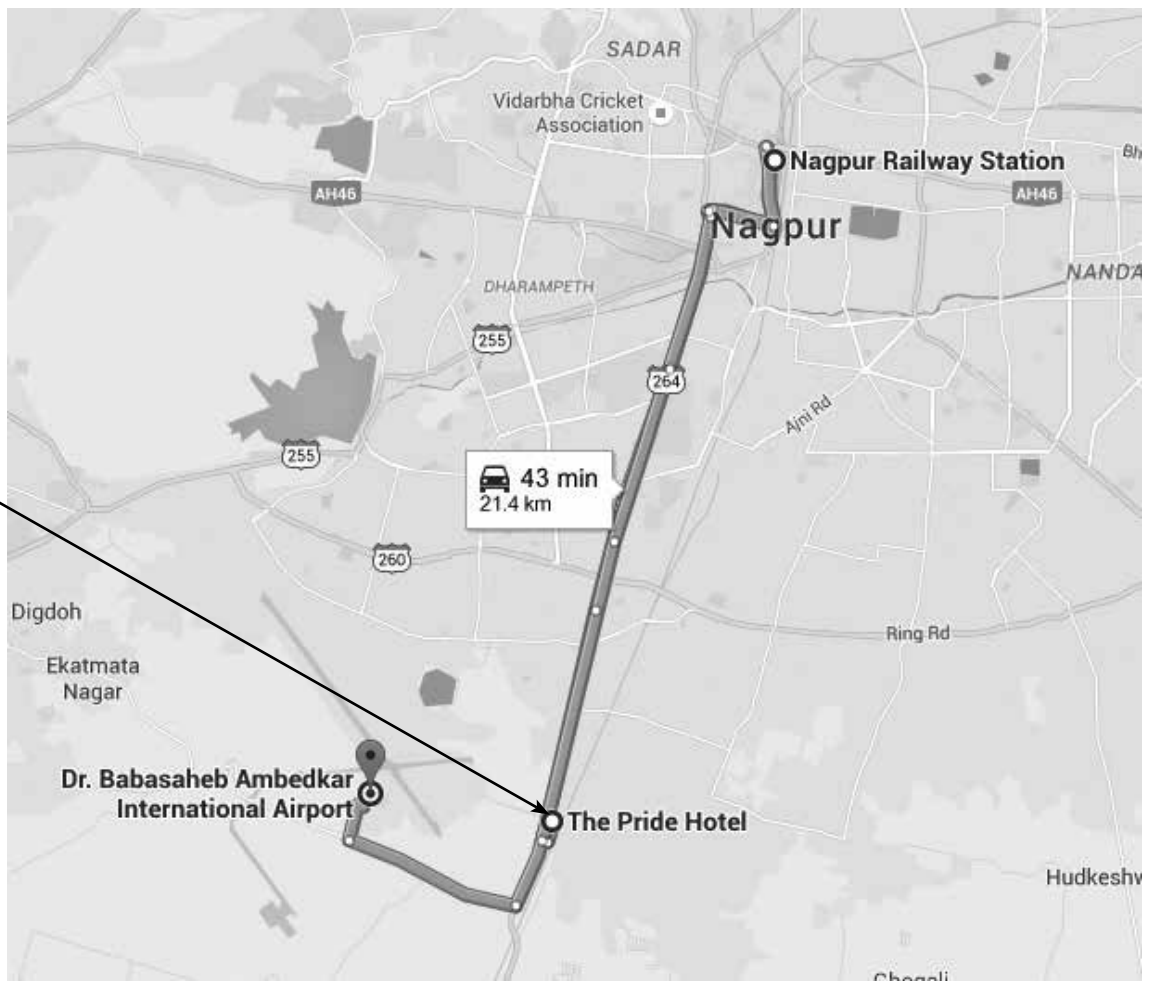
1. Name	:	
Address	:	
E-mail id	:	
Signature	:	_____ of failing him

2. Name	:	
Address	:	
E-mail id	:	
Signature	:	_____ of failing him

3. Name	:	
Address	:	
E-mail id	:	
Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual general meeting of the Company, to be held on Monday, the 28th day of September, 2015 at 3.00 p.m. at Hotel Pride, opp. Airport, Wardha Road, Nagpur (M.H.) and at any adjournment thereof in respect of such resolutions as are indicated below:

Venue of 42nd AGM



S.No.	Resolution	FOR	AGAINST
1	Adoption of standalone and consolidated financial statements of the Company including Report of Board of Directors and Auditors for the F.Y. 2014-15		
2	Declaration of dividend on Equity Shares		
3.	Re-appointment of Mr. Pankaj Sarda as Director		
4.	Appointment of M/s. O.P. Singhania & Co., Chartered Accountants, as Statutory Auditors of the Company.		
5.	Re-appointment of Mr. K.K. Sarda as Chairman & Managing Director		
6.	Ratification of payment of remuneration to M/s. S.N. & Co., Cost & Management Accountants, as cost auditors of the Company		

Signed this day of 2015

Signature of shareholder/ Signature of Proxy holder(s)

Affix Revenue Stamp

Notes

1. This form should be signed across the stamp as per specimen signature registered with the Company.
2. This form of Proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
3. A proxy need not be a member of the Company.
4. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Please put a (✓) in the appropriate column against the resolutions indicated in the box.



सत्यमेव जयते

भारत सरकार

GOVERNMENT OF INDIA

वाणिज्य एवं उद्योग मंत्रालय

MINISTRY OF COMMERCE & INDUSTRY

कार्यालय, संयुक्त महानिदेशक, विदेश व्यापार

OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE

मान्यता प्रमाण पत्र

Certificate of Recognition

व्यापार सदन

TRADING HOUSE

मैसर्स _____

(आई ई सी सं. और आयकर पैन सं.)
को विदेश व्यापार नीति, 2004-2009 के प्रावधानों के अनुसार व्यापार सदन
का स्तर प्रदान किया जाता है। यह प्रमाण पत्र 1 अप्रैल से 31 मार्च
तक वर्षों की अवधि के लिए वैध है।

STATUS HOLDER NO.:50/0511

M/s _____

SARDA ENERGY & MINERALS LIMITED 73 A CENTRAL

AVENUE NAGPUR MAHARASHTRA 440018

(IEC No. 0393072003..... and Income Tax PAN
No.AAACR6449I) are hereby accorded the status of Trading House
in accordance with the provisions of the Foreign
Trade Policy, 2004-2009. This Certificate is valid for a period of
..... years effective from 1st April to 31st March
..... FIVE 2014 2019

"However this certificate shall continue to remain in force, in case provisions
of Foreign Trade Policy(2014-19) continue to recognize this status."

सं०

No. _____

C-0511

तारीख

Date _____

24.11.2014
NAGPUR

स्थान

Place _____




संयुक्त महानिदेशक, विदेश व्यापार
**JOINT DIRECTOR
GENERAL OF FOREIGN TRADE**

H. N. Wadetiwar, ITS
Jt. Director General of Foreign Trade,
N. S. Building, Civil Lines,
Nagpur-440 001

50/21/105/00016/AM15

(फाइल सं. / FILE NO.)



SARDA ENERGY & MINERALS LTD.

CIN : L27100MH1973PLC016617

**73/A, Central Avenue,
Nagpur - 440 018.**

Maharashtra, India

Visit us at: www.seml.co.in

SARDA ENERGY & MINERALS LIMITED

Regd. Off: 73-A, Central Avenue, Nagpur (M.H.) 440018

Ph: +91-712-2722407 Fax: +91-712-2722107 Email: cs@seml.co.in website: www.seml.co.in

CIN: L27100MH1973PLC016617

Name of shareholder

Address

Folio No./ DP ID – Cleint ID

No. of shares held

Dear Member,

Subject: Process and manner for availing E-voting facility

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the 42nd Annual General Meeting [AGM] to be held on Monday, 28th September, 2015, by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

The electronic voting particulars are set out below:

E-VOTING PARTICULARS

EVEN (E Voting Event Number)	USER ID	PASSWORD

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on **25th September, 2015 (9:00 am) and ends on 27th September, 2015 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **21st September, 2015, may** cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)] :
- Open email and open PDF file viz; “e-Voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting in which case you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using “Forget User Details / Password” option available available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on Shareholder - Login
 - Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select “EVEN” of “Name of the company”.

- viii. Now you are ready for remote e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to satish@sgkindia.net with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM[for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- i. Initial password is provided as part of E-voting instructions

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.		
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date of 21st September, 2015**. Any person who is not a shareholder as on the cut-off date, must treat the receipt of the Notice of Annual General Meeting and other documents only for the purpose of information.
- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XI. Any person, who acquires shares of the Company and becomes member of the Company after 21st August, 2015, i.e. the date considered for dispatch of the notice and holding shares as of the cut-off date i.e. 21st September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or cs@seml.co.in or sharepro@shareproservices.com.
- XII. Mr. S.G. Kankani of S.G. Kankani & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper/Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company – www.seml.co.in - and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Stock Exchanges where the shares of the Company are listed.
- XVI. For any other queries relating to the shares of the Company, please contact the Registrar & Share transfer agent at the following address:

Sharepro Services (India) Pvt. Ltd.
 Unit: Sarda Energy & Minerals Ltd.
 Sam Hita Warehousing Complex
 Warehouse No. 52 & 53 Plot No 13AB
 2nd Floor, Sakinaka, Mumbai - 400 072
 Phone: +91-22-67720400; Fax: +91-22-67720416
 Email: sharepro@shareproservices.com