

# CORPORATE GOVERNANCE

## 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, as on 31st March, 2016, are as under:

Names of the Directors <sup>^</sup>	Category	No. of other Directorships held <sup>**</sup>	Member/ Chairman of other Board committees <sup>@</sup>	No. of shares held in the Company
Mr. K.K. Sarda	Promoter Executive	7	-	13,09,149
Mr. Pankaj Sarda	Promoter/ Wholtime	10	-	6,91,107
Mr. G.D. Mundra <sup>*</sup>	Professional/Wholtime	8	5	15,154
Mrs. Uma Sarda	Promoter/Non-executive	1	-	4,89,425
Mr. Rakesh Mehra	Independent Non-executive	1	-	5,170
Mr. A.K. Basu	Independent Non-executive	2	-	2,000
Mr. P.R. Tripathi	Independent Non-executive	7	6	Nil
Mr. G.S. Sahni	Independent Non-executive	6	1	2,334
Mr. C.K. Lakshminarayanan	Independent Non-executive	3	3	7,000
Mr. Jitender Balakrishnan	Independent Non-executive	9	8	833

<sup>\*\*</sup> Excluding directorships in foreign companies.

<sup>@</sup> Committee positions only of the Audit Committee and Stakeholders Relationship Committee in Public Companies have been considered.

<sup>\*</sup> Resigned from the Directorship of the Company w.e.f. 1st April, 2016 and accordingly ceased to be a Director with effect from the said date.

<sup>^</sup> Except Mr. K.K. Sarda, Mr. Pankaj Sarda and Mrs. Uma Sarda, who are related to each other, no other director is related to any one in any manner. Mr. K.K. Sarda is father of Mr. Pankaj Sarda and spouse of Mrs. Uma Sarda.

### 2.2 Board Meetings

The members of the Board are being provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings. Six meetings of the Board of Directors were held during the year ended 31st March, 2016 as given hereunder:

i)	23rd May, 2015	ii)	25th July, 2015	iii)	28th September, 2015
iv)	7th November, 2015	v)	30th January, 2016	vi)	12th March, 2016

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The attendance recorded for each of the Directors at the Board Meetings during the year ended on 31st March, 2016 and of the last Annual General Meeting is as under :

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

\* Resigned from the Directorship of the Company w.e.f. 1st April, 2016 and accordingly ceased to be a Director with effect from the said date.

## 2.3 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 as named hereunder:

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

## 2.4 Meetings of Independent Directors

Your Company's Independent Directors met once during the year without the presence of the management. Independent Directors discussed matters pertaining to the Company's affairs and submitted their views/suggestions to the Board. The Independent Directors takes appropriate steps to present Independent Directors' views to the Chairman & Managing Director.

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

## 2.5 Code of Conduct

Your Company has in place a comprehensive Code of Conduct (the Code) applicable to the Senior Executives and the Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law.

A copy of the Code has been put on the Company's website ([www.seml.co.in](http://www.seml.co.in)). The Code has been circulated to Directors and Senior Executives and its compliance is affirmed by them annually. A declaration signed by the Chairman & Managing Director is given below :

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"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 2015-16.

**K.K. Sarda**

*Chairman & Managing Director"*

## 2.6 Particulars of Directors seeking appointment/reappointment

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 30th September, 2016 are given as under:

1	Name	Mrs. Uma Sarda	Mr. Padam Kumar Jain
2	i) Age	57 years	53 years
	ii) Qualification	Bachelor of Arts in Home Science	Fellow Member of the Institute of Chartered Accountant of India and Associate Member of the Institute of Company Secretaries of India
	iii) Date of appointment	29.09.2014	01.06.2016
3	Experience	She is attached with an NGO named Friends of Tribals Society which works for the primary education of the tribal children and health care of tribal people of Chhattisgarh. Apart from the above, she is associated with various social organizations in and around Raipur.	He has an experience of nearly 30 years in the field of finance, accounting, Costing, Secretarial, taxation and corporate laws.
4	Other Directorships/ Partnerships	Rishabh Mining and Transport Company Private Limited	Sarda Dairy & Food Products Limited Madhya Bharat Power Corporation Limited Sarda Solutions & Technologies Private Limited Sarda Power & Steel Limited
5	Chairman/ Member of Committees	NIL	Member, Risk Management Committee as CFO
6	Shareholding in the Company	4,89,425 Equity Shares	6,000 Equity Shares
7	Relationship with Directors	Related to Mr. K. K. Sarda and Mr. Pankaj Sarda.	None

## 3. Committees of the Board

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

Audit Committee	Nomination & Remuneration Committee
Mr. A. K. Basu (Chairman)	Mr. P. R. Tripathi (Chairman)
Mr. C. K. Lakshminarayanan	Mr. G. S. Sahni
Mr. Rakesh Mehra	Mr. J. Balakrishnan
Mr. Pankaj Sarda	Mr. K. K. Sarda
Mr. G. D Mundra*	

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Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. J. Balakrishnan (Chairman)	Mr. P. R. Tripathi (Chairman)
Mr. A.K. Basu <sup>#</sup>	Mr. K.K. Sarda
Mr. G. D. Mundra <sup>*</sup>	Mr. Pankaj Sarda
Risk Management Committee	
Mr. K.K. Sarda (Chairman)	
Mr. Pankaj Sarda	
Mr. G. D. Mundra <sup>*</sup>	
Mr. P.K. Jain, CFO	
Mr. Asish Roy (President)	

\* Mr. G.D. Mundra who was the Whole-time Director of the Company has ceased to be a member of the Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee w.e.f. 1st April, 2016.

# Mr. A.K. Basu has been appointment member of the Stakeholders' Relationship Committee w.e.f. 1st April, 2016.

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	16	2	1
Attendance:					
Mr. K.K. Sarda	NA	2	NA	2	1
Mr. Pankaj Sarda	NA	NA	NA	2	1
Mrs. Uma Sarda	NA	NA	NA	NA	NA
Mr. G.D. Mundra <sup>*</sup>	4	NA	16	NA	1
Mr. A.K. Basu	4	NA	NA	NA	NA
Mr. C.K. Lakshminarayanan	4	NA	NA	NA	NA
Mr. G.S. Sahni	NA	2	NA	NA	NA
Mr. J. Balakrishnan	NA	2	16	NA	NA
Mr. P. R. Tripathi	NA	2	NA	2	NA
Mr. Rakesh Mehra	4	NA	NA	NA	NA

\* Mr. G.D. Mundra who was the Whole-time Director of the Company has ceased to be a member of the Audit Committee, Stakeholders' Relationship Committee and Risk Management Committee w.e.f. 1st April, 2016.

### 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 meetings for noting.

### 3.4 Terms of Reference of Board Committees

#### Audit Committee

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

At the invitation of the Company, representatives from various business units of the Company, internal auditors, cost auditors, statutory auditors, President and Secretary, who acted as Secretary to the Audit Committee, also attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

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## 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. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme.

**Remuneration policy:** The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure C to the Directors' Report. The Company's remuneration policy is directed towards rewarding performance based on review of achievements at periodical intervals. The remuneration policy is in consonance with the existing industry practice. 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 2015-16.

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	96.00	9.04	12.52	150.00	267.56	NIL
Mr. Pankaj Sarda	24.00	26.35	3.88	0	54.23	NIL
Mr. G.D. Mundra	17.10	13.85	3.05	0	34.00	NIL

\* No stock options were granted during the year.

### 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.

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

Name of the Director	Sitting fees	Commission	Total
Mr. A.K. Basu	1.40	3.00	4.40
Mr. C.K. Lakshminarayanan	1.60	3.00	4.60
Mr. G.S. Sahni	1.20	3.00	4.20
Mr. J. Balakrishnan	3.00	1.00	4.00
Mr. P.R. Tripathi	1.60	1.00	2.60
Mr. Rakesh Mehra	1.40	1.00	2.40
Mrs. Uma Sarda	0.80	0.00	0.80

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

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## Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee considers and resolves the grievances of security holders of the 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 : 6 complaints were received which were attended in time. Apart from during the year the above, requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were also received and were attended promptly.

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

Number of pending complaints : No complaint was pending for redressal as on 31st March, 2016.

## 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 the 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); and
- delegating powers for approving CSR spend within the framework of CSR policy;
- monitor the Corporate Social Responsibility spending of the 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
28th September, 2015	3.00 p.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	No Special Resolution was passed in the meeting
29th 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 Limited, Wholly Owned Subsidiary, subject to annual limit of ₹ 500 crore.
28th September, 2013	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 2014-15, 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 27th March, 2015.

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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 was as under:

Special Resolution 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 ₹ 2,000 crores at any point of time:

Promoter/Public	No. of Shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			$=[(2)/(1)] * 100$			$=[(4)/(2)] * 100$	$=[(5)/(2)] * 100$
Promoter & Promoter Group	25648358	22806717	88.92	22806717	0	100.00	0.00
Public - Institutional Holders	2530059	1231944	48.69	1231944	0	100	0
Public - Others	7773936	39832	0.51	36528	3304	91.71	8.29
<b>Total</b>	<b>35952353</b>	<b>24078493</b>	<b>66.97</b>	<b>24075189</b>	<b>3304</b>	<b>99.99</b>	<b>0.01</b>
<i>After excluding 650 votes of 6 shareholders declared invalid</i>							

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 shares capital plus free reserves plus ₹ 2,000 crores in favour of its lenders:

Promoter/Public	No. of Shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			$=[(2)/(1)] * 100$			$=[(4)/(2)] * 100$	$=[(5)/(2)] * 100$
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
<b>Total</b>	<b>35952353</b>	<b>24076827</b>	<b>66.97</b>	<b>24072993</b>	<b>3834</b>	<b>99.98</b>	<b>0.02</b>
<i>After excluding 2366 votes of 18 shareholders declared invalid</i>							

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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	No. of votes polled	% of Votes polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
			$=[(2)/(1)] * 100$			$=[(4)/(2)] * 100$	$=[(5)/(2)] * 100$
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
<b>Total</b>	<b>35952353</b>	<b>24077227</b>	<b>66.97</b>	<b>24074207</b>	<b>3020</b>	<b>99.99</b>	<b>0.01</b>

*After excluding 2566 votes of 21 shareholders declared invalid*

## 5. Means of communication

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

## 6. General shareholder information

Annual General Meeting	: Date: 30th September, 2016 : Time: 11.30 a.m. : Venue: Hotel Pride, Opp. Airport, Wardha Road, Nagpur (M.H.) 440025
Financial calendar for 2016-17(tentative)	:
Financial results for the quarters ended:	:
30th June, 2016	: 4th week of August, 2016
30th September, 2016	: 4th week of November, 2016
31st December, 2016	: 4th week of January, 2017
31st March, 2017	: 4th week of May, 2017 (audited)
Annual General Meeting (for F.Y. 2016-17)	September, 2017
Dividend payment date	No final dividend is proposed. Interim Dividend declared in March 2016 has already been paid.
Listing on stock exchanges	
Equity shares	: The shares of the Company are listed on the following exchanges: i. BSE Limited, Mumbai (504614) ii. The National Stock Exchange of India Limited, Mumbai (SARDAEN) ISIN no. NSDL & CDSL - INE385C01013



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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

No Security of the Company has been suspended from trading on any of the stock exchanges where they are listed. Your Company has paid annual listing fees to the BSE Limited for equity shares and the NCD's and to The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2016-17.

Trustees for NCDs (9.55%) : Axis Trustee Services Limited  
Axis House, 2<sup>nd</sup> Floor  
Wadia International Centre  
Pandurang Budhkar Marg, Worli, Mumbai 400025

Registrar and share transfer agents (for physical and electronic) (for equity shares and NCD) : Bigshare Services Private Limited  
E/2-3, Ansa Industrial Estate  
Saki Vihar Road, Sakinaka, Andheri (East), 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.

Market price data: High/low during the year 2015-16

Month	SEML on the BSE (in ₹)		SEML on the NSE (in ₹)	
	High	Low	High	Low
Apr 2015	176.30	123.40	178.30	123.15
May 2015	147.00	128.00	148.25	128.55
Jun 2015	136.30	105.00	139.80	104.60
Jul 2015	118.00	101.50	118.10	101.30
Aug 2015	142.00	90.10	142.90	89.00
Sep 2015	102.50	90.00	104.60	89.55
Oct 2015	122.35	99.80	121.85	97.20
Nov 2015	112.90	92.30	112.95	93.00
Dec 2015	112.50	99.20	112.05	99.05
Jan 2016	128.00	86.70	124.00	86.20
Feb 2016	95.00	75.50	97.40	75.50
Mar 2016	101.30	78.70	101.40	76.20

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Comparison of SEML share price movements with BSE Sensex



Shareholding pattern as on 31st March, 2016

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	2,56,48,079	71.29%
2.	Institutions	14,60,122	4.06%
3.	Resident Individuals	51,80,887	14.40%
4.	Bodies Corporate	18,08,711	5.02%
5.	Overseas Corporate Bodies	18,04,891	5.02%
6.	Individuals NRIs	75,629	0.21%
	<b>TOTAL</b>	<b>3,59,78,319</b>	<b>100.00%</b>

Distribution of shareholding as on 31st March, 2016

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	13,680	89.93	16,22,245	4.51
5,001 – 10,000	706	4.64	5,64,599	1.57
10,001 – 20,000	375	2.47	5,69,401	1.58
20,001 – 30,000	146	0.96	3,73,486	1.04
30,001 – 40,000	52	0.34	1,86,853	0.52
40,001 – 50,000	45	0.30	2,07,499	0.58
50,001 – 1,00,000	93	0.61	6,76,306	1.88
1,00,001 and above	114	0.75	3,17,77,930	88.32
<b>Total</b>	<b>15,211</b>	<b>100.00</b>	<b>3,59,78,319</b>	<b>100.00</b>

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- 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, 2016, out of the total 3,59,52,353 equity shares held by about 15,211 (PY 13,887) shareholders, approximately 3,54,89,562 (PY 3,54,47,763) equity shares held by 10,963 (PY 9,556) shareholders representing 98.64% (PY 98.59%) percent of the total paid-up equity capital have been dematerialised.
- Debentures are also held in dematerialised form.
- Hedging of risk : Company is not having much exposure to foreign exchange and there is a natural hedging partly available in terms of exports made by the Company.
- In respect of price risk of raw materials used for manufacturing purpose the same is taken care of as per industry requirement.
- 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: [cs@seml.co.in](mailto:cs@seml.co.in)  
Works:  
 Industrial Growth Centre, Siltara  
 Raipur [C.G.] 493 111  
 Ph: +91-771-2216100 / Fax: +91-771-2216198  
 e-mail: [cs@seml.co.in](mailto:cs@seml.co.in)

### 7. Disclosures

#### a) Related Party Transactions

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

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

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on 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.

#### b) 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, the Company has complied with all applicable cut and regulations and there was no non-compliance by the Company. No penalties, strictures were imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets. Your Company's application for delisting is pending with the Calcutta Stock Exchange, for long. The matter has been reported to SEBI. In view of the

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pendency of delisting application with the Calcutta Stock Exchange, your Company has stopped reporting about the same and has also stopped sending the information to the Calcutta Stock Exchange.

### c) **Whistle Blower policy**

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

### d) **Compliance**

All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements. There is no non-compliance of any of the requirements of Corporate Governance Report as required under the Listing Regulations.

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

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

### e) **Web-links**

#### 1. Related Party Transaction Policy

<http://seml.co.in/Corporate%20Governance/SEML%20-%20Policy%20on%20Related%20Party%20Transactions.pdf>

#### 2. Material Subsidiary Policy

<http://seml.co.in/Corporate%20Governance/SEML%20--20Policy%20for%20determinig%20Material%20Subsidiaries.pdf>

#### 3. Other Policies

<http://seml.co.in/policies.php>

### f) **Material financial & commercial transactions by Senior Management**

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

## 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, 2016 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations] pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

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

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

**(Sanjay Singhania)**  
*Partner*  
M.No.076961

Place: Raipur  
Date: 24th August, 2016