

Corporate Governance Report

1. Company's philosophy on Corporate Governance

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

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

Your Company would constantly endeavor to improve these aspects.

2. Board of Directors

2.1 Composition

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

The names and categories of the directors on the board and other relevant information, as on 31st March, 2019, are as under:

Names of the Directors	Category	No. of other Directorships held*	Member/ Chairman of other Board committees@	No. of shares held in the Company
Mr. K. K. Sarda^	Promoter / Executive	5	-	13,09,149
Mr. Pankaj Sarda^	Promoter / Wholtime	9	3	6,91,107
Mr. P. K. Jain	Professional / Wholtime	4	-	10,073
Mrs. Uma Sarda^	Promoter/Non-executive	1	-	4,89,425
Mr. Rakesh Mehra	Independent / Non-executive	1	1	10,537
Mr. A. K. Basu	Independent /Non-executive	2	3	4,000
Mr. P. R. Tripathi**	Independent/ Non-executive	6	6	Nil
Mr. G. S. Sahni	Independent/ Non-executive	9	2	3,500
Mr. C. K. Lakshminarayanan	Independent /Non-executive	3	3	8,000
Mr. Jitender Balakrishnan	Independent/ Non-executive	9	7	1,667

* Excluding directorships in foreign companies and the Company.

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

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

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

2.2 Board Meetings

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

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

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

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

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

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

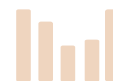
*Retired w.e.f. 1st April, 2019

2.4 List of Core Skills / Expertise / Competencies of directors

A chart or matrix setting out the list of core skills / expertise / competencies as identified by the Board of Directors as required in the context of its business and sector(s) for it to function effectively is as under :-

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

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



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2.5 Governance Policies

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

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

2.6 Meetings of Independent Directors

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

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

2.7 Code of Conduct

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

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

"I hereby confirm that the Company has obtained from all the members of the Board and senior executives, affirmation that they have complied with the Code of Conduct for Board of Directors and Senior Executives in respect of the financial year 2018-19.

K. K. Sarda

Chairman & Managing Director"

2.8 Particulars of Directors seeking appointment/reappointment

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 21st September, 2019 are given as under:

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

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3. Committees of the Board

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

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

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

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

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

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

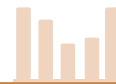
§ Non-Mandatory for the Company.

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

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

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

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



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3.3 Procedure at Committee Meetings

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

3.4 Terms of Reference of Board Committees

Audit Committee

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

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

Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for:

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

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

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

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

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

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

[#] Also holds the office of CFO

* No stock options were granted during the year.

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Contract period:

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

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

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

Note:

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

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

(₹ in Lakh)

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

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

Stakeholders' Relationship Committee

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

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

The number of complaints received during the year	: 21 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 31st March, 2019.

Corporate Social Responsibility Committee

The role of the Committee is to:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

Risk Management Committee

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



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4. General Body Meetings

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

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

Special Resolutions passed through Postal Ballot

During 2018-19, Special Resolutions for re-appointment of Independent Directors were passed through Postal Ballot. Mr. Kamlesh Ojha, Partner, S.G. Kankani & Associates, Practising Company Secretaries was appointed as the Scrutinizer for the purpose of scrutinizing the entire voting process and ascertaining the results. Detail of voting pattern is as under:

Item No.	Brief Description	Number of votes cast in favour		Number of votes cast against		Number of votes abstained		Total votes cast
		No of votes	% to total votes cast	No of votes	% to total votes cast	No of votes	% to total votes cast	
i)	Re-appointment of Mr. A.K. Basu as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,78,76,028	99.6271	66,892	0.3728	10	0.0001	1,79,42,930
ii)	Re-appointment of Mr. C.K. Lakshminarayanan as an Independent Director for second term of 4 years w.e.f. 01.04.2019	1,78,75,938	99.6260	67,092	0.3740	-	-	1,79,43,030
iii)	Re-appointment of Mr. G.S. Sahni as an Independent Director for second term of 2 years w.e.f. 01.04.2019	1,78,00,363	99.2048	1,42,667	0.7952	-	-	1,79,43,030
iv)	Re-appointment of Mr. J. Balakrishnan as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,78,66,739	99.5748	76,291	0.4252	-	-	1,79,43,030
v)	Re-appointment of Mr. Rakesh Mehra as an Independent Director for second term of 5 years w.e.f. 01.04.2019	1,72,22,313	95.8765	7,40,707	4.1235	-	-	1,79,63,020

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

5. Means of communication

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

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6. General shareholder information

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

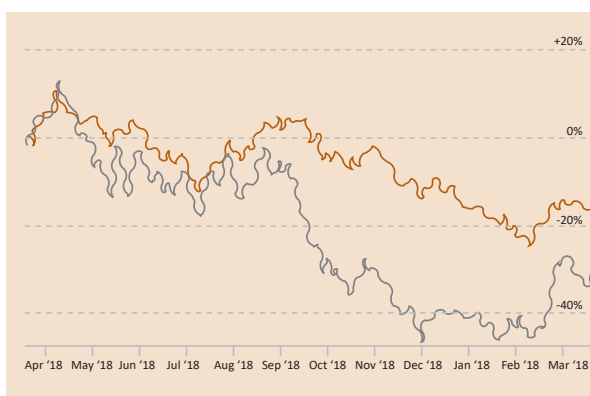
Market price data: High/low during the year 2018-19

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



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



SEML on BSE vs CNX Metal Index



SEML on NSE vs CNX Metal Index

Shareholding pattern as on 31st March, 2019

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

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

Distribution of shareholding as on 31st March, 2019

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

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Dematerialization of securities : Your Company has arrangement with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of equity shares. As on 31st March, 2019, out of the total 3,60,49,235 equity shares held by about 21,805 (PY 21,234) shareholders, 3,57,32,236 (PY 3,57,03,015) equity shares held by 19,062 (PY 18,229) shareholders representing 99.12% (PY 99.04%) percent of the total paid-up equity capital have been dematerialized.

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

7. Disclosures

a) Related Party Transactions

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

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

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

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

b) Hedging of Risks

The Company has in place a Board approved policy which establishes the risk management framework and defines the procedures and controls for effective management of risk's faced by the Company. The Company is having exposure to foreign exchange fluctuation risk, however there is natural hedging partly available in terms of exports made by the Company and its subsidiaries and assets held in other currencies.

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

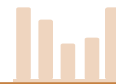
In respect of price risk of raw materials used for manufacturing purpose, the same is taken care of as per industry requirement. The Company's exposure in none of the commodities, which are sourced for use in its business, is material in the context of its overall operations, and also in terms of the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

c) Credit Ratings

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

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

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



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

e) Whistle Blower policy

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

f) Material financial & commercial transactions by Senior Management

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

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

h) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part amounts to ₹ 39.18 lakh (net of TDS).

i) No complaint pertaining to sexual harassment of women employees was received during the year under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

j) Compliance

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

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

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

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

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

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

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

Corporate Governance Report

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

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

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

k) Web-links

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

l) Certificate from practising Company secretary

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

TO WHOMSOEVER IT MAY CONCERN

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

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

For **S. G. Kankani & Associates**

Sd/-

Kamlesh Ojha

Partner

M.No. 39476

Place : Raipur
Date : 3rd July, 2019

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

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Corporate Governance Report

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Sarda Energy & Minerals Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 29th September, 2014.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Ltd. ('the Company') for the year ended on 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31st March 2019.

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

Restriction on use

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

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

(Sanjay Singhania)
Partner

M.No.076961

Raipur
3rd August, 2019