

## 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 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 nine directors, including two whole time promoter directors, one whole time professional director, one non-executive women promoter director and five 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 31<sup>st</sup> March, 2020, are as under:

Names of the Directors	Category	No. of other Directorships held*	Member/ Chairman of other Board committees <sup>@</sup>	No. of shares held in the Company
Mr. Kamal Kishore Sarda <sup>^</sup>	Promoter Executive	5	-	23,23,667
Mr. Pankaj Sarda <sup>^</sup>	Promoter/ Wholetime	11	4	6,91,107
Mr. Padam Kumar Jain	Professional/Wholetime	4	-	10,073
Mrs. Uma Sarda <sup>^</sup>	Promoter/Non-Executive	1	-	4,89,425
Mr. Rakesh Mehra	Independent Non-Executive	1	1	10,537
Mr. Asit Kumar Basu	Independent Non-Executive	3	5	4,000
Mr. Gajinder Singh Sahni	Independent Non-Executive	#7	2	3,500
Mr. Chittur Krishnan Lakshminarayanan	Independent Non-Executive	3	3	8,000
Mr. Jitender Balakrishnan	Independent Non-Executive	8	7	1,667

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

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

# Including one under process of strike-off.

<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 provided with the requisite information mentioned in the Listing Regulations well before the Board Meetings. Seven meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2020 as given hereunder:

i)	25th May, 2019	ii)	3rd August, 2019	iii)	21st September, 2019
iv)	9th November, 2019	v)	20th November, 2019	vi)	1st February, 2020
vii)	12th March, 2020				

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The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2020 and at the last Annual General Meeting is as under:

Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. Kamal Kishore Sarada	7	Yes
Mr. Pankaj Sarada	4	Yes
Mr. Padam Kumar Jain	5	Yes
Mrs. Uma Sarada	6	No
Mr. Rakesh Mehra	4	No
Mr. Asit Kumar Basu	6	Yes
Mr. Gajinder Singh Sahni	5	Yes
Mr. Chittur Krishnan Lakshminarayanan	5	Yes
Mr. Jitender Balakrishnan	7	Yes

### 2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31<sup>st</sup> March, 2020):

S. No.	Name	Name of the Company	Designation
1.	Mr. Kamal Kishore Sarada	Chhatisgarh Investments Limited	Director
2.	Mrs. Uma Sarada	NIL	NA
3.	Mr. Pankaj Sarada	NIL	NA
4.	Mr. Padam Kumar Jain	NIL	NA
5.	Mr. Asit Kumar Basu	Chhatisgarh Investments Limited	Independent Director
6.	Mr. Chittur Krishnan Lakshminarayanan	NIL	NA
7.	Mr. Gajinder Singh Sahni	NIL	NA
8.	Mr. Jitender Balakrishnan	India Glycols Limited	Independent Director
		Polyplex Corporation Limited	Independent Director
		Bharti Infratel Limited	Independent Director
		CG Power and Industrial Solutions Limited	Independent Director
9.	Mr. Rakesh Mehra	NIL	NA

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

The Company is engaged in Iron and Steel Industry, Power Sector and Mining Sector. It is having an integrated steel manufacturing unit with facilities ranging right from captive iron ore mining to production of iron ore pellets, sponge iron, steel billets, wire rod, HB wire, ferro alloys and captive power plant.

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

S. No.	Name of Director	Qualification & Experience	Expertise
1	Mr. Kamal Kishore Sarada	B.E. (Mech.) Nearly 44 years of experience	Iron & Steel, Mining, Strategic Planning
2	Mr. Pankaj Sarada	MS in Industrial Administration Nearly 17 years of experience	Strategic Planning, Production, Operations, General Management
3	Mrs. Uma Sarada	Graduation in Home Science Nearly 15 years	General Management, Human Resources
4	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 34 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
5	Mr. Asit Kumar Basu	BME Nearly 42 years of experience	Finance, Risk Assessment

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S. No.	Name of Director	Qualification & Experience	Expertise
6	Mr. Chittur Krishnan Lakshminarayanan	B. Tech Nearly 45 years of experience	Finance, Power Sector
7	Mr. Gajinder Singh Sahni	PG in Public Administration. Retired IAS Nearly 45 years of Experience	Administration, Planning, Project Execution, Human Resource Management
8	Mr. Jitender Balakrishnan	B.E. (Mech.), PGDM in Industrial Management Nearly 42 years of experience	Power, Steel, Oil & Gas, Corporate Governance, Risk Assessment
9	Mr. Rakesh Mehra	FCWA Nearly 36 years of experience	Finance, Costing & Management Accounting

### 2.5 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>

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

### 2.6 Code of Conduct

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:

"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 2019-20.

**K. K. Sarda**

*Chairman & Managing Director*"

### 2.7 Particulars of Directors seeking appointment/reappointment

Details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) in respect of the Directors seeking appointment/re-appointment at the ensuing Annual General Meeting to be held on 24<sup>th</sup> September, 2020 are given as under:

	Name	Mr. Kamal Kishore Sarda	Mr. Pankaj Sarda
2 i)	Age	68 years	40 years
ii)	Qualification	B.E. (Mech.)	B.E. Industrial Engineering from Nagpur University and Masters from Purdue University, USA
iii)	Date of appointment	16.12.1978	31.10.2007
3	Experience	Nearly 44 years of Industrial experience in Iron & Steel, Mining, Strategic Planning	Nearly 17 years of Industrial experience

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4	Terms & Conditions of re-appointment	Mr. Kamal Kishore Sarma is Chairman & Managing Director of the Company, not liable to retire by rotation. Other terms and conditions as set out in the explanatory statement.	Mr. Pankaj Sarma is a Whole-time Director (designated as Jt. Managing Director) of the Company, liable to retire by rotation.
5	Remuneration last drawn (including sitting fees, if, any) (per annum)	₹ 408.32 lakh (F.Y. 2019-20)	₹ 201.69 lakh (F.Y. – 2019-20)
6	Remuneration / Sitting Fees proposed to be paid per month	As set out in the explanatory statement.	As per the terms of remuneration approved by the members at the 44 <sup>th</sup> AGM.
7	Other Directorships	<p>Madhya Bharat Power Corporation Limited</p> <p>Sarda Energy Limited</p> <p>Sarda Metals &amp; Alloys Limited</p> <p>Chhatisgarh Investments Limited</p> <p>Parvatiya Power Limited</p>	<p>Madhya Bharat Power Corporation Limited</p> <p>Sarda Energy Limited</p> <p>Madanpur South Coal Company Limited</p> <p>Sarda Dairy &amp; Food Products Limited</p> <p>Comienzo Agri Science Limited</p> <p>Natural Resources Energy Private Limited</p> <p>Rishabh Mining &amp; Transport Company Private Limited</p> <p>Sarda Agriculture &amp; Properties Private Limited</p> <p>Prachi Agriculture &amp; Properties Private Limited</p> <p>Raipur Mega Food Park Private Limited</p> <p>ABS Engineers Private Limited</p>
8	Chairman/ Member of Committees	<p>Sarda Energy &amp; Minerals Limited CSR Committee – Member</p> <p>Risk Management Committee – Chairman</p> <p>Nomination &amp; Remuneration Committee – Member</p> <p>Chhatisgarh Investments Limited CSR Committee – Member</p> <p>Risk Management Committee – Chairman</p> <p>Nomination &amp; Remuneration Committee – Member</p> <p>Sarda Metals &amp; Alloys Limited Nomination &amp; Remuneration Committee – Member</p>	<p>Sarda Energy &amp; Minerals Limited Audit Committee – Member</p> <p>CSR Committee – Member</p> <p>Risk Management Committee – Member</p> <p>Stakeholders' Relationship Committee – Member</p> <p>Sarda Dairy &amp; Food Products Limited Audit Committee – Member</p> <p>Nomination &amp; Remuneration Committee – Member</p> <p>Madhya Bharat Power Corporation Limited Audit Committee – Member</p> <p>Nomination &amp; Remuneration Committee – Member</p>
9	Shareholding in the Company	23,23,667 Equity shares	6,91,107 Equity Shares
10	No. of Board Meetings attended/held during Financial Year 2019-20	7/7	4/7
11	Relationship with Directors	Father of Mr. Pankaj Sarma and spouse of Mrs. Uma Sarma	Son of Mr. K.K. Sarma and Mrs. Uma Sarma

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### 3. Committees of the Board

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

<b>Audit Committee</b>	<b>Nomination &amp; Remuneration Committee</b>
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
<b>Stakeholders' Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>
Mr. J. Balakrishnan (Chairman)	Mr. G.S. Sahni (Chairman)
Mr. A.K. Basu	Mr. K.K. Sarda
Mr. Pankaj Sarda	Mr. Pankaj Sarda
<b>Risk Management Committee</b>	
Mr. K.K. Sarda (Chairman)	
Mr. Pankaj Sarda	
Mr. P.K. Jain, WTD & CFO	
Mr. A.K. Nanda (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 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	3	5	2	1
Attendance:					
Mr. K. K. Sarda	NA	1	NA	2	1
Mr. Pankaj Sarda	3	NA	1	2	1
Mrs. Uma Sarda	NA	NA	NA	NA	NA
Mr. P. K. Jain	NA	NA	NA	NA	1
Mr. A.K. Basu	4	NA	5	NA	NA
Mr. C. K. Lakshminarayanan	4	3	NA	NA	NA
Mr. G. S. Sahni	NA	3	NA	2	NA
Mr. J. Balakrishnan	NA	3	5	NA	NA
Mr. Rakesh Mehra	4	NA	NA	NA	NA

### 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

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- 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 B 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 C 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 2019-20.

**Details of remuneration to Chairman & Managing Director and Whole time Directors are as under:**

(₹ in lakh)

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Commission	Total	Stock Options granted*
Mr. K. K. Sarda	152.64	11.90	18.78	225.00	408.32	NIL
Mr. Pankaj Sarda	70.94	0.29	5.46	125.00	201.69	NIL
Mr. P. K. Jain <sup>#</sup>	54.76	0.29	4.24	0.00	59.29	NIL

<sup>#</sup>Also holds the office of CFO.

\* No stock options were granted during the year.

**Contract period:** Mr. K.K. Sarda, Chairman & Managing Director – Five years from 1st April, 2020. Required shareholders approval is being sought in the ensuing AGM

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 Whole time 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	2.10	3.00	5.10
Mr. C.K. Lakshminarayanan	1.70	3.00	4.70
Mr. G.S. Sahni	1.50	3.00	4.50
Mr. J. Balakrishnan	2.20	3.00	5.20
Mr. Rakesh Mehra	1.20	3.00	4.20
Mrs. Uma Sarda	1.20	0.00	1.20

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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	: 14 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 <sup>st</sup> March, 2020.

### 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.

#### 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
21 <sup>st</sup> September, 2019	11.00 a.m.	Radisson Blu Hotel, 7 Wardha Road, Nagpur - 440015	Special Resolutions to issue - NCDs upto and aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore, were passed.
21 <sup>st</sup> September, 2018	11.00 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	Special Resolutions to issue - NCDs upto and aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore, were passed.
28 <sup>th</sup> 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 crores was passed.

#### Special Resolution(s) passed through Postal Ballot:

During 2019-20, no Special Resolution was passed through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

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### 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.

### 6. General shareholder information

#### Annual General Meeting

Date: 24<sup>th</sup> September, 2020

Time: 11.30 a.m.

Venue: The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020. The registered office shall be deemed to be the venue of the AGM. For details please refer to the Notice of this AGM.

#### Financial calendar for 2020-21 (tentative)

Financial results for the quarters ended:

30<sup>th</sup> June, 2020

1<sup>st</sup> week of August, 2020

30<sup>th</sup> September, 2020

1<sup>st</sup> week of November, 2020

31<sup>st</sup> December, 2020

1<sup>st</sup> week of February, 2021

31<sup>st</sup> March, 2021

4<sup>th</sup> week of May, 2021 (audited)

Annual General Meeting (for F.Y. 2020-2021)

September, 2021

Dividend payment date (for F.Y. 2019-20)

On or after 25<sup>th</sup> September, 2020

#### 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 2020-21.

#### 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 1<sup>st</sup> April, 2019. However, share transmission, name deletion and duplicate share issue activities are continuing for physical shares.

Since physical share transfers have been stopped, the member, in their own interest, are requested to get their shareholding dematerialized at an early date.

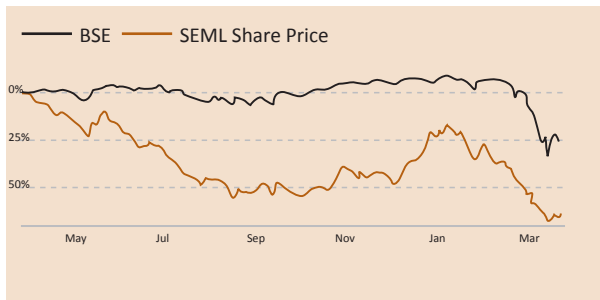


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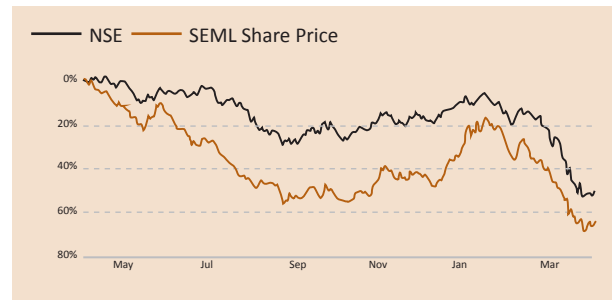
### Market price data: High/low during the year 2019-20

Month	SEML on the BSE (in ₹)		SEML on the NSE (in ₹)	
	High	Low	High	Low
Apr, 2019	325.00	276.25	324.70	273.10
May, 2019	296.90	243.15	291.95	242.25
Jun, 2019	271.00	221.65	275.25	220.00
Jul, 2019	239.70	164.00	234.00	163.35
Aug, 2019	181.45	139.80	180.25	138.30
Sep, 2019	176.10	146.40	176.55	146.60
Oct, 2019	183.90	140.25	184.35	143.10
Nov, 2019	200.25	173.50	200.00	173.00
Dec, 2019	226.00	164.05	226.45	163.55
Jan, 2020	268.50	211.65	267.00	212.00
Feb, 2020	238.80	171.00	238.70	170.10
Mar, 2020	178.30	97.50	184.70	98.05

### 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 31<sup>st</sup> March, 2020

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	53,873	0.15
3.	Foreign Portfolio Investors	67,719	0.19
4.	Overseas Corporate Bodies	6,84,891	1.90
5.	Bodies Corporate	14,79,421	4.10
6.	Individuals NRIs	2,81,628	0.78
7.	Resident Individuals	69,55,173	19.29
8.	IEPF Authority	1,61,906	0.45
9.	Others	2,30,264	0.64
	TOTAL*	3,60,49,235	100.00

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

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### Distribution of shareholding as on 31<sup>st</sup> March, 2020

Shareholding of nominal value (₹)	Shareholders		Shares	
	Number	% to total	Number	% to total
Up to 5,000	18,508	90.38	19,63,165	5.44
5,001 – 10,000	899	4.39	7,13,334	1.98
10,001 – 20,000	522	2.55	7,84,214	2.18
20,001 – 30,000	170	0.83	4,27,651	1.19
30,001 – 40,000	87	0.42	3,11,740	0.86
40,001 – 50,000	61	0.30	2,82,840	0.78
50,001 – 1,00,000	109	0.53	7,78,003	2.16
1,00,001 and above	122	0.60	3,07,88,288	85.41
<b>Total</b>	<b>20,478</b>	<b>100.00</b>	<b>3,60,49,235</b>	<b>100.00</b>

#### 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 31<sup>st</sup> March, 2020, out of the total 3,60,49,235 equity shares held by about 20,478 (PY 21,805) shareholders, 3,57,63,104 (PY 3,57,32,236) equity shares held by 17,961 (PY 19,062) shareholders representing 99.21% (PY 99.12%) 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. 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.

#### 8. Credit Ratings

The details of credit ratings obtained during the year are as under:

Particulars	Rating – 21.05.2019	Rating – 07.01.2020
Total facilities rated	₹ 735 crore	₹ 876.40 crore
Long Term	CRISIL A+/Stable	CRISIL A+/Stable
Short Term	CRISIL A1	CRISIL A1

#### 9. 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.

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

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

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

During the last three years, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. No penalties, strictures 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 for 2016-17 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.

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. Calcutta Stock Exchange is non-operational 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**

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

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

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

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

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

*Unclaimed Dividend / Transfer of shares to IEPF:* In accordance with provisions of Section 124 and 15 of the

## Corporate Governance Report

Companies Act, 2013 and Investor Education and Protection Fund (Accounting, audit, Transfer and Refund), Rules, 2016 (IEPF Rules) dividend not encashed/claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

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

In accordance with above provisions, the Company has transferred the unpaid dividend for the year 2011-12 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till date, the Company has transferred 1,61,906 shares to IEPF. However, due to technical reasons, the payment of dividend to IEPF has not been updated in IEPF /MCA records due to which the returns required to be filed with MCA could not be filed. The company has reported the matter to IEPFA.

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](http://www.seml.co.in).

### e) Material financial & commercial transactions by Senior Management

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

### f) Governance Policies

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

### g) Web-links

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

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

i) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part amounts to ₹ 32.55 lakh (net of TDS).

## Corporate Governance Report

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

**k) Certificate from practising Company Secretary**

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

**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 M/s. Sarda Energy & Minerals Limited have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

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

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

Sd/-

**Kamlesh Ojha**

Partner

M. No. 39476

CP. No. 14660

UDIN: A039476B000478741

Place : Raipur

Date : 20<sup>th</sup> July, 2020

- l) Plant Location** Industrial Growth Centre, Siltara, Raipur (C.G).
- m) Address for correspondence**
- Regd. Office*  
73-A, Central Avenue, Nagpur (M.H.)  
Ph: +91-771-2722407  
e-mail: 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

## 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 21<sup>st</sup> September, 2019.
2. We have examined the compliance of conditions of corporate governance by Sarda Energy & Minerals Limited ('the Company') for the year ended on 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020.

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)

**(Naitik Agrawal)**

Partner

M.No.441441

UDIN : 20441441AAAAAJ3808

Raipur  
8th August, 2020