

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 stakeholders.
- **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, 2017, 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	8	-	13,09,149
Mr. Pankaj Sarda^	Promoter/ Wholtime	10	2	6,91,107
Mr. P.K. Jain*	Professional/Wholtime	4	-	9,000
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	3	2,000
Mr. P.R. Tripathi	Independent Non-executive	7	6	Nil
Mr. G.S. Sahni	Independent Non-executive	7	3	2,334
Mr. C.K. Lakshminarayanan	Independent Non-executive	3	3	7,000
Mr. Jitender Balakrishnan	Independent Non-executive	10	6	833

** Excluding directorships in foreign companies.

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

* w.e.f. 1st June, 2016.

^ 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, 2017 as given hereunder:

i)	27th May, 2016	ii)	24th August, 2016	iii)	30th September, 2016
iv)	18th November, 2016	v)	5th January, 2017	vi)	11th February, 2017

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The attendance record of the Directors at the Board Meetings during the year ended on 31st March, 2017 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	5	Yes
Mr. P.K. Jain*	5	Yes
Mrs. Uma Sarda	5	Yes
Mr. Rakesh Mehra	4	Yes
Mr. A.K. Basu	6	Yes
Mr. P.R. Tripathi	4	No
Mr. G.S. Sahni	4	Yes
Mr. C.K. Lakshminarayanan	4	Yes
Mr. Jitender Balakrishnan	5	Yes

* w.e.f. 1st June, 2016.

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. 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

2.4 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 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 <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). 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 2016-17.

K. K. Sarda
Chairman & Managing Director

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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 28th September, 2017 are given as under:

1	Name	Mr. Pankaj Sarda
2	i) Age	37 years
	ii) Qualification	Industrial Engineering from Nagpur University, Nagpur and Masters from Purdue University, USA.
	iii) Date of appointment	31.10.2007
3	Experience	More than 14 years Industrial Experience.
4	Other Directorships/ Partnerships	ABS Engineers Private Limited Madhya Bharat Power Corporation Limited Sattva Seeds Private Limited Madanpur South Coal Company Limited Sarda Energy Limited Rishabh Mining & Transport Company Private Limited Raipur Fabritech Private Limited Raipur Industrial Gases Private Limited Sarda Dairy & Food Products Limited Raipur Mega Food Park Private Limited Prosperous Housing Finance Limited (w.e.f. 05.04.17)
5	Chairman/ Member of Committees	<u>Sarda Energy & Minerals Limited - Membership</u> Audit Committee CSR Committee Risk Management Committee <u>Sarda Dairy & Food Products Limited - Membership</u> Audit Committee Nomination & Remuneration Committee
6	Shareholding in the Company	6,91,107 Equity Shares
7	Relationship with Directors	Son of Mr. K.K. Sarda and Mrs. Uma Sarda.

3. Committees of the Board

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

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.S Sahni*	
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. J. Balakrishnan (Chairman)	Mr. P. R. Tripathi (Chairman)
Mr. A. K. Basu [#]	Mr. K. K. Sarda
	Mr. Pankaj Sarda
Risk Management Committee	
Mr. K.K. Sarda (Chairman)	Mr. P.K. Jain, WTD & CFO [@]
Mr. Pankaj Sarda	Mr. Asish Roy (President)

* w.e.f. 24th August, 2016. | [#] w.e.f. 1st April, 2016. | [@] WTD w.e.f. 1st June, 2016.

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

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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	11	2	1
Attendance:					
Mr. K.K. Sarada	NA	2	NA	2	1
Mr. Pankaj Sarada	4	NA	NA	2	1
Mrs. Uma Sarada	NA	NA	NA	NA	NA
Mr. P.K. Jain*	NA	NA	NA	NA	1
Mr. A.K. Basu	4	NA	11	NA	NA
Mr. C.K. Lakshminarayanan	3	NA	NA	NA	NA
Mr. G.S. Sahni @	2	2	NA	NA	NA
Mr. J. Balakrishnan	NA	2	11	NA	NA
Mr. P. R. Tripathi	NA	2	NA	2	NA
Mr. Rakesh Mehra	3	NA	NA	NA	NA

* Director w.e.f. 1st June, 2016

@ Member of Audit Committee w.e.f. 24th August, 2016

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 voting.

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 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;
- Evaluation of every director's performance;
- Determining 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;
- 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;
- Administering, monitoring and formulating detailed terms and conditions of the Employees' Stock Option Scheme.

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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 2016-17.

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

Name of the Director	Salary	Perquisites & Allowances	Retiral Benefits	Commission	Total	Stock Options granted*
Mr. K.K. Sarda	116.64	0.40	13.96	225.00	356.00	NIL
Mr. Pankaj Sarda	51.14	0.29	6.81	0.00	58.24	NIL
Mr. P.K. Jain#	40.99	2.72	4.96	0.00	48.67	NIL

WTD w.e.f. 01.06.2016. Also holds the office of CFO.

* 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 Lakh)

Name of the Director	Sitting fees	Commission	Total
Mr. A. K. Basu	2.70	3.00	5.70
Mr. C. K. Lakshminarayanan	1.10	3.00	4.10
Mr. G. S. Sahni	1.20	3.00	4.20
Mr. J. Balakrishnan	2.30	3.00	5.30
Mr. P. R. Tripathi	1.20	3.00	4.20
Mr. Rakesh Mehra	1.10	3.00	4.10
Mrs. Uma Sarda	1.00	0.00	1.00

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 including debenture holders and also reviews and approves share transfers/duplicate share issues/share transmissions/dematerialization process.

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

The number of complaints received during the year	: 11 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	: 2 complaints pending for redressal as on 31st March, 2017 have since been redressed.

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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);
- delegating powers for approving CSR spend within the framework of CSR policy; and
- 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
30th September, 2016	11.30 a.m.	Hotel Pride, Opp. Airport, Wardha Road, Nagpur - 440025	No Special Resolution was passed in the meeting
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. Sarada Metals & Alloys Limited, Wholly Owned Subsidiary, subject to annual limit of ₹ 500 crore.

Special Resolution(s) passed through Postal Ballot

During 2016-17, the members of the Company have approved, by passing Special Resolution through postal ballot effective October 27, 2016, the dilution of Company's holding in Sarada Metals & Alloys Limited [SMAL], its wholly owned Subsidiary, in case the lenders of SMAL convert loan into equity.

The Board had appointed Mr. Kamlesh Ojha, 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 Resolution was as under:

Category	Mode of Voting	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)	$(3) = [(2)/(1)] * 100$	(4)	(5)	$(6) = [(4)/(2)] * 100$	$(7) = [(5)/(2)] * 100$
Promoter & Promoter Group	E-Voting	25648079	19486300	75.97	19486300	-	100.00	-
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total		25648079	19486300	75.97	19486300	0	100.00
Public – Institutions	E-Voting	5295194	1208869	22.83	1189041	19828	98.36	1.64
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total		5295194	1208869	22.83	1189041	19828	98.36

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Category	Mode of Voting	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
Public – Non Institutions	E-Voting	5035046	19718	0.39	17057	2661	86.50	13.50
	Poll		-	-	-	-	-	-
	Postal Ballot (if applicable)		-	-	-	-	-	-
	Total		19718	0.39	17057	2661	86.50	13.50
Total		35978319	20714887	57.58	20692398	22489	99.89	0.11

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. 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: 28th September, 2017
	: Time: 11.00 a.m.
	: Venue: Hotel Pride, Opp. Airport, Wardha Road, Nagpur (M.H.) 440025
Financial calendar for 2017-18 (tentative)	:
Financial results for the quarters ended:	:
30th June, 2017	: 1st week of August, 2017
30th September, 2017	: 2nd week of November, 2017
31st December, 2017	: 2nd week of February, 2017
31st March, 2018	: 4th week of May, 2018 (audited)
Annual General Meeting (for F.Y. 2017-18)	September, 2018
Dividend payment date	Within 5 days from 28th September, 2017
Listing on stock exchanges Equity shares	: The shares of the company are listed on the following exchanges: <ul style="list-style-type: none"> i. BSE Limited, Mumbai (504614) ii. The National Stock Exchange of India Ltd., Mumbai (SARDAEN) ISIN no. NSDL & CDSL - INE385C01013
Non-convertible debentures	: The 9.55% non-convertible debentures of your Company were 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

The Non-convertible Debentures have been redeemed in full on 26th July, 2017.

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 2017-18.

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Trustees for NCDs (9.55%)	: Axis Trustee Services Limited Axis House, 2nd 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 1st Floor, Bharat Tin Works Building Opp. Vasant Oasis, Makwana Road Marol, Andheri East, Mumbai - 400059 (M.H.)
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 2016-17

Month	SEML on the BSE (in ₹)		SEML on the NSE (in ₹)	
	High	Low	High	Low
Apr 2016	124.90	91.90	124.90	92.65
May 2016	115.95	97.85	115.80	98.05
Jun 2016	133.25	103.05	133.20	103.00
Jul 2016	158.20	122.05	158.00	122.25
Aug 2016	183.60	127.10	183.80	126.30
Sep 2016	224.25	164.00	224.00	164.00
Oct 2016	281.85	202.65	281.40	202.55
Nov 2016	296.60	185.00	296.20	185.10
Dec 2016	244.20	202.00	245.80	200.10
Jan 2017	263.45	220.70	264.00	220.40
Feb 2017	265.00	227.00	265.00	228.60
Mar 2017	260.00	238.90	259.85	238.10

Comparison of SEML share price movements with SENSEX and NIFTY



Shareholding pattern as on 31st March, 2017

Sl. No.	Category	No. of shares	Percentage
1.	Promoter and Promoter Group	2,57,71,929	71.53%
2.	Institutions	10,40,959	2.89%
3.	Resident Individuals	55,96,121	15.53%
4.	Bodies Corporate	14,21,208	3.94%
5.	Overseas Corporate Bodies	18,04,891	5.01%
6.	Individuals NRIs	1,87,224	0.52%
7.	Clearing member	2,08,066	0.58%
	TOTAL	3,60,30,398	100.00%

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Distribution of shareholding as on 31st March, 2017

Shareholding of nominal value (₹)	Shareholders		Shares	
	Number	% to total	₹	% to total
Up to 5,000	17,442	90.58	2,04,87,930	5.69
5,001 – 10,000	868	4.51	70,81,810	1.97
10,001 – 20,000	453	2.35	68,02,550	1.89
20,001 – 30,000	167	0.87	42,42,810	1.18
30,001 – 40,000	66	0.34	23,54,090	0.65
40,001 – 50,000	45	0.23	21,30,300	0.59
50,001 – 1,00,000	85	0.44	61,87,730	1.71
1,00,001 and above	127	0.68	31,10,16,760	86.32
Total	19,253	100.00	36,03,03,980	100.00

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, 2017, out of the total 3,60,30,398 equity shares held by about 19,253 (PY 15,211) shareholders, 3,55,48,706 (PY 3,54,89,562) equity shares held by 15,033 (PY 10,963) shareholders representing 98.66% (PY 98.64%) percent of the total paid-up equity capital have been dematerialized.

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

Debentures are also held in dematerialized form.

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

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

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

b) Hedging of Risks

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.

c) 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. 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.

d) 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.

e) 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. The financial statements for all periods upto and including year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended March 31, 2017 are the first financial statements prepared by the Company in accordance with Ind AS. The figures of the Previous year has also been recast to make them comparable as per applicable Ind AS.

Listing Regulations: 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.

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.

Transfer of shares to IEPF: Pursuant to the General Circulars issued by the Ministry of Corporate Affairs with respect to Section 124 (6) of the Companies Act, 2013 read with Rules made thereunder in relation to transfer of

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shares on which dividend remains unpaid for 7 consecutive years to the Investor Education and Protection Fund (IEPF), the matter is under process. The Company will comply with the formalities, as may be necessary, in this regard.

f) 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>

g) 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.

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 31 March, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as SEBI Listing Regulations, 2015).

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, 2015.

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

Raipur
5th August, 2017