



## **SARDA ENERGY & MINERALS LIMITED**

Regd. Off: 73-A, Central Avenue, Nagpur (MH.) 440018  
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URL: [www.seml.co.in](http://www.seml.co.in) CIN: L27100MH1973PLC016617

### **REMUNERATION POLICY**

#### **I. Preamble**

As per the requirements of Companies Act 2013 and the SEBI Listing Regulations 2015 (as amended from time to time), the Board of Directors of Sarda Energy & Minerals Ltd. ("Company") has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees.

#### **II. Objective**

The objectives of the Policy shall be to:

1. attract, retain, motivate, promote talent, improve productivity and to ensure long term sustainability for retention of talented managerial persons and create competitive advantage for the Company.
2. inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits to employees at all levels.
3. guide and assist the Board in laying down and administer ESOP Compensation policy in terms of SEBI Guidelines, as and when decided.

#### **III. Guiding Principles**

The following principles shall act as guiding factors while designing compensation for Directors, Key Managerial Personnel, Senior Management Personnel and other employees:

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



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appropriate in this context.

### IV. Remuneration

#### 1. General

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

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

- e. Leaves  
The employees, including directors where applicable, shall be eligible for casual leaves, earned leaves and maternity leaves as per Company's Rules of the Service.
- f. Retirement benefits  
The Company shall extend Provident Fund and Gratuity benefits as per provisions of the applicable law. In addition, the Company may extend benefit of Provident Fund to employees drawing higher salary and also contribution to superannuation and other pension fund/schemes for selective employees with mutual consent. The gratuity, superannuation and pensionary contribution shall be invested in approved funds.
- g. Loans to employees  
The Company may extend interest free/ concessional loans to the employees of the company for meeting fund requirement for higher education of children, land purchase, building purchase/ construction/ furnishing & repair, marriage of self



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and family members, medical treatment of self and family members and other exigencies. Suitable Rules shall be framed for the purpose with authority for exceptions at appropriate levels.

2. ***Remuneration to Whole-time / Managing Director***

a. Fixed pay

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

b. Variable pay

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

c. Minimum Remuneration

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

d) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-

- i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
- ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the Company:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

d. Provisions for excess remuneration

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



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e. **Stock Options**

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

3. ***Remuneration to Non- Executive / Independent Director***

a. **Remuneration / Profit - related Commission**

Profit-related commission may be paid within the monetary limit approved by the shareholders subject to the limit not exceeding 1% of the net profits of the Company as per the Applicable Laws. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

b. **Sitting Fees**

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

Provided that the amount of such fees shall not exceed the amount as may be prescribed under any applicable law for the time being.

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

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

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

4. ***Remuneration to Key Managerial Personnel and Senior Management Personnel***

a. **The remuneration to Key Managerial Personnel and Senior Management Personnel may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.**

b. **The Committee shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management Personnel.**

c. **The Fixed pay shall include monthly remuneration, employer's contribution to superannuation fund, Provident Fund, contribution to pension fund, pension**



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schemes, allowances, bonus, etc. as decided from to time, for which Rules shall be framed.

- d. The Incentive pay, if any, shall be decided based on the performance of the Company and the performance of the Key Managerial Personnel and Senior Management Personnel, to be decided annually or at such intervals as may be considered appropriate.

### **5. Other Employees**

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

## **V Remuneration Duties**

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

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

## **VI Implementation**

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



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**VII Policy Review**

- i) The Committee may assess the adequacy of this Policy and suggest any necessary or desirable amendments from time to time in the policy to the Board for approval to ensure it remains consistent with the Company's objectives, current laws and best practices.
- ii) In the event of any conflict between the provisions of this Policy and any statutory enactments/rules, the provisions of such statutory enactments/rules shall prevail over this policy and automatically be applicable and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the statutory requirements.

**VIII Effective Date**

This revised policy shall be effective w.e.f. 1<sup>st</sup> April 2025.

**IX Dissemination**

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