

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 the Company. The 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.

The Company would constantly endeavor to improve these aspects.

2. Board of Directors

2.1 Composition

The Board of Directors comprises of eight directors, including two whole time promoter directors, one wholetime professional director, and five independent directors. The independent directors are eminent professionals having rich and sound experience in diverse fields related to the business of the Company.

The names and categories of the directors on the board and other relevant information, as on 31st March 2022, 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. Kamal Kishore Sarda^	Promoter Executive	5	-	5,64,518
Mr. Pankaj Sarda^	Promoter/Wholetime	11	4	6,91,107
Mr. Padam Kumar Jain	Professional/Wholetime	3	1	10,073
Mr. Asit Kumar Basu	Independent	3	5	4,000
Mr. C.K. Lakshminarayanan	Independent	3	3	8,000
Mr. Jitender Balakrishnan	Independent	7	5	1,667
Mr. Rakesh Mehra	Independent	1	1	10,637
Ms. Tripti Sinha	Independent	-	-	NIL

* 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.

^ Except Mr. K.K. Sarda and Mr. Pankaj Sarda, no other director is related to any one in any manner. Mr. K.K. Sarda is father of Mr. Pankaj 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 2022 as given hereunder:

i)	22nd May, 2021	ii)	31st July, 2021	iii)	23rd September, 2021
iv)	30th October, 2021	v)	5th February, 2022	vi)	8th March, 2022

The attendance record of the Directors at the Board Meetings during the year ended on 31st March 2022 and at the last Annual General Meeting is as under :

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Names of the Directors	No. of Board Meetings attended	Last AGM attended
Mr. Kamal Kishore Sarda	6	Yes
Mr. Pankaj Sarda	6	Yes
Mr. Padam Kumar Jain	6	Yes
Mr. Asit Kumar Basu	6	Yes
Mr. C.K. Lakshminarayanan	6	Yes
Mr. Jitender Balakrishnan	6	Yes
Mr. Rakesh Mehra	6	Yes
Ms. Tripti Sinha	6	Yes

2.3 Details of directorships in other listed companies with category of Company's directors is as under (as on 31st March 2022):

S. No.	Name	Name of the Company	Designation
1.	Mr. K.K. Sarda	Chhatisgarh Investments Limited	Chairman
2.	Mr. Pankaj Sarda	NIL	NA
3.	Mr. Padam Kumar Jain	NIL	NA
4.	Mr. Asit Kumar Basu	Chhatisgarh Investments Limited	Independent Director
5.	Mr. C.K. Lakshminarayanan	NIL	NA
6.	Mr. Jitender Balakrishnan	India Glycols Limited	Independent Director
		Polyplex Corporation Limited	Independent Director
7.	Mr. Rakesh Mehra	NIL	NA
8.	Ms. Tripti Sinha	NIL	NA

2.4 List of Core Skills / Expertise / Competencies of directors

The Company is engaged in metal, mining and power sector. It is having an integrated steel manufacturing unit with facilities, ferro alloys backed by captive thermal power plant. The Company also operates in the hydropower sector through SPVs.

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 available with the Board are as follows: -

S. No.	Name of Director	Qualification & Experience	Expertise
1	Mr. Kamal Kishore Sarda	B.E. (Mech.) Nearly 46 years of experience	Iron & Steel, Mining, Strategic Planning
2	Mr. Pankaj Sarda	MS in Industrial Administration Nearly 19 years of experience	Strategic Planning, Production, Operations, General Management
3	Mr. Padam Kumar Jain	Chartered Accountant / Company Secretary Nearly 36 years of experience	Accounting, Finance, Taxation, Budgeting, Costing, Corporate Laws
4	Mr. Asit Kumar Basu	BME Nearly 44 years of experience	Finance, Internal financial controls
5	Mr. C.K. Lakshminarayanan	B. Tech Nearly 47 years of experience	Power Sector, Finance, Capital markets
6	Mr. Jitender Balakrishnan	B.E. (Mech.), PGDM in Industrial Management Nearly 44 years of experience	Power, Steel, Oil & Gas, Corporate Governance, Risk Assessment
7	Mr. Rakesh Mehra	FCWA Nearly 38 years of experience	Finance, Costing & Management Accounting
8	Ms. Tripti Sinha	B.E. (Electricals) Nearly 42 years of experience	Power

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2.5 Independent Directors

The 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 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 – [familiarization programmes](#) – on the website of the Company.

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

The 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 maybe 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 2021-22.

K. K. Sarda

Chairman & Managing Director"

2.7 Particulars of Directors seeking appointment/re-appointment

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 29th September 2022 are given as under:

1	Name	Mr. Pankaj Sarda
2	i) Age	43 years
	ii) Qualification	B.E. (Industrial Engineering) from Nagpur University, Nagpur and Masters from Purdue University, USA.
	iii) Date of appointment	31.10.2007
3	Experience	More than 19 years Industrial Experience.
4	Terms & Conditions of re-appointment	Mr. Pankaj Sarda is Wholetime Director (Jt. Managing Director), liable to retire by rotation. Other terms and conditions as set out in the explanatory statement to the Notice Convening 49th Annual General Meeting.
5	Remuneration last drawn (including sitting fees, if, any) (per annum)	₹ 587.06 lakh (F.Y. 2021-22)
6	Remuneration / Sitting Fees proposed to be paid per month	As set out in the explanatory statement to the Notice Convening 49th Annual General Meeting.
7	Other Directorships	ABS Engineers Private Limited Madhya Bharat Power Corporation Limited Sarda Agriculture & Properties Private Limited Madanpur South Coal Company Limited Sarda Energy Limited Rishabh Mining & Transport Company Private Limited

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		Sarda Dairy & Food Products Private Limited
		Raipur Mega Food Park Private Limited
		Prachi Agriculture & Properties Private Limited
		Comienzo Agri Science Limited
		Natural Resources Energy Private Limited
8.	Chairman/Member of Committees	Sarda Energy & Minerals Limited - Membership Audit Committee Stakeholders' Relationship Committee Risk Management Committee Sarda Dairy & Food Products Limited - Membership Audit Committee Nomination & Remuneration Committee Madhya Bharat Power Corporation Limited - Membership Audit Committee Nomination & Remuneration Committee
9	Shareholding in the Company	6,71,441 Equity shares
10	No. of Board Meetings attended/ held during Financial Year 2021-22	6/6
11	Relationship with Directors	Mr. Kamal Kishore Sarda, Chairman & Managing Director of the Company is relative of Mr. Pankaj Sarda, as per Section 2 (77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014.

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. J. Balakrishnan (Chairman w.e.f. 1st April 2021)
Mr. C.K. Lakshminarayanan	Mr. A.K. Basu
Mr. Rakesh Mehra	Mr. C.K. Lakshminarayanan
Mr. Pankaj Sarda	Mr. K.K. Sarda
Stakeholders' Relationship Committee	Corporate Social Responsibility Committee
Mr. J. Balakrishnan (Chairman)	Mr. Rakesh Mehra (Chairman w.e.f. 1st April 2021)
Mr. A.K. Basu (upto 30th June 2021)	Mr. K.K. Sarda
Mr. Pankaj Sarda	Mr. Pankaj Sarda (upto 30th June 2021)
Mr. Padam Kumar Jain (w.e.f. 1st July 2021)	Ms. Tripti Sinha (w.e.f. 1st July 2021)
Risk Management Committee	
Ms. Tripti Sinha (Chairperson w.e.f. 1st April 2021)	
Mr. Pankaj Sarda	
Mr. P.K. Jain, WTD & CFO	
Mr. Sanjeev Agrawal (upto 30th June 2021)	
Mr. Anup Kumar Nanda (w.e.f. 1st July 2021)	

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

3.2 Meetings of the Board Committees and attendance 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	1	1	2	2
Attendance:					
Mr. K.K. Sarda	NA	1	NA	2	NA

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Board Committees	Audit Committee	Nomination & Remuneration Committee	Stakeholders' Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee
Mr. Pankaj Sarda	3	NA	0	1	2
Mr. P.K. Jain	NA	NA	1	NA	2
Mr. A.K. Basu	4	1	NA	NA	NA
Mr. C.K. Lakshminarayanan	4	1	NA	NA	NA
Mr. J. Balakrishnan	NA	1	1	NA	NA
Mr. Rakesh Mehra	4	NA	NA	2	NA
Ms. Tripti Sinha	NA	NA	NA	1	2

3.3 Procedure at Committee Meetings

The 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/Plant Head 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 2021-22.

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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. Kamal Kishore Sarda	177.50	21.41	7.50	650.00	856.41	NIL
Mr. Pankaj Sarda	75.86	3.70	7.50	500.00	587.06	NIL
Mr. Padam Kumar Jain ^	59.30	0.91	7.50	75.00	142.71	NIL

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

No stock options were granted during the year.

^Also holds the office of CFO.

Contract period: Mr. K.K. Sarda, Chairman & Managing Director – Five years from 1st April 2020.

Mr. Pankaj Sarda, Jt. Managing Director – Five years from 1st November 2017. To retire by rotation.

Mr. Padam Kumar Jain, Wholetime Director & CFO - Five years from 1st June 2021. To retire by rotation.

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

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

Name of the Director	Sitting fees	Commission	Total
Mr. Asit Kumar Basu	1.70	12.00	13.70
Mr. Chittur Krishnan Lakshminarayanan	1.70	10.00	11.70
Mr. Jitender Balakrishnan	1.40	10.00	11.40
Mr. Rakesh Mehra	1.80	10.00	11.80
Ms. Tripti Sinha	1.50	7.00	8.50

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

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible for:

- Resolution of the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Measures taken for effective exercise of voting rights by shareholders.
- Service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

The number of complaints received during the year : During the year under review, 10 complaints were received which were resolved. Requests for issue of duplicate shares, share transmissions, revalidation of warrants and change in bank account details, were received which 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 2022.

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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 and its implementation 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
23rd September, 2021	11.30 a.m.	The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office.	Special Resolutions to issue - NCDs upto an aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore were passed.
24th September, 2020	11.00 a.m.	The meeting was through Video Conferencing/ Other Audio-Visual Means (VC/OAVM). The place of AGM was deemed to be the Registered Office.	Special Resolutions to - Re-appoint Mr. K.K Sarda as Chairman & Managing Director for five years w.e.f. 01.04.2020; - Issue NCDs upto an aggregate amount not exceeding ₹ 500 crore; - Issue equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore were passed.
21st September, 2019	11.00 a.m.	Radisson Blu Hotel, 7 Wardha Road, Nagpur 440015	Special Resolutions to issue - NCDs upto an aggregate amount not exceeding ₹ 500 crore; - equity shares on qualified institutional placement basis upto an aggregate amount not exceeding ₹ 1,000 crore were passed.

Special Resolution(s) passed through Postal Ballot

During 2021-22, 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 the Company's website - www.seml.co.in. No 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 to the Stock Exchanges and have also been uploaded on the Company's website.

6. General shareholder information

Annual General Meeting	Date:	29 th September, 2022
	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 as amended from time to time. The Registered Office shall be deemed to be the venue of AGM.
Financial calendar for 2022-23 (tentative)	:	
Financial results for the quarters ended:		
30 th June, 2022	:	4 th week of July 2022
30 th September, 2022	:	1 st week of November 2022
31 st December, 2022	:	1 st week of February 2023
31 st March, 2023	:	4 th week of May 2023 (audited)
Annual General Meeting (for F.Y. 2022-23)	:	September, 2023

Listing on stock exchanges :

Equity shares

The equity shares of the Company are listed on the following exchanges:

- BSE Limited, Mumbai (504614)
- 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. The Company has paid annual listing fees to the BSE Limited and The National Stock Exchange of India Limited, Mumbai, for the equity shares for the financial year 2022-23.

Registrar and share transfer agents : Bigshare Services Private Limited
(for physical and electronic)

Office No S6-2, 6th Floor
Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road
Andheri (East), Mumbai – 400093 (M.H.)

Share transfer system :

In view of the SEBI circular, share transfers in physical have been stopped from 1st April 2019. Further, w.e.f. January 2022, pursuant to SEBI Circular, the Company has also stopped processing of duplicate, transmission, cases in physical. The requests received are now converted into demat mode at the time of processing.

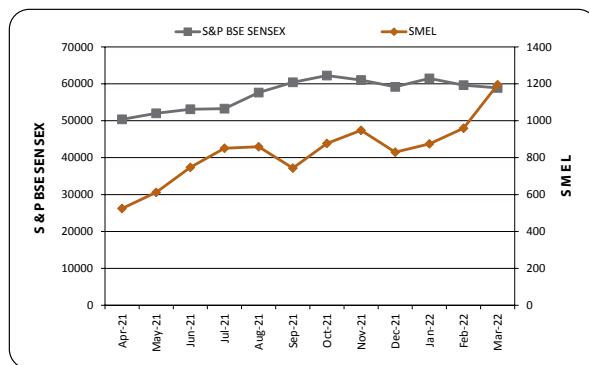
In view of the above, the members, in their own interest, are requested to get their shareholding dematerialized at an early date.

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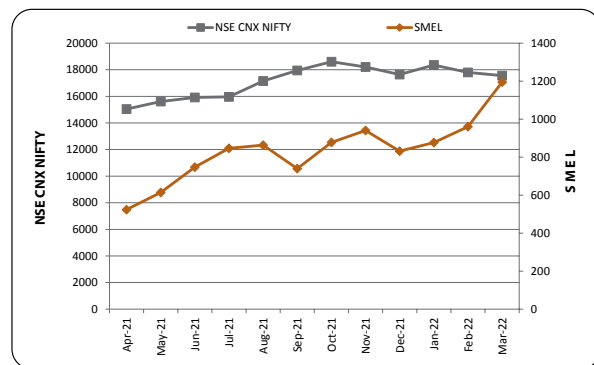
Market price data: High/low during the year 2021-22

Month	SEML price on the BSE (in ₹)		SEML price on the NSE (in ₹)	
	High	Low	High	Low
Apr, 2021	524.45	392.00	524.00	375.90
May, 2021	612.00	501.00	613.90	504.75
Jun, 2021	747.25	491.10	747.60	496.15
Jul, 2021	850.90	615.70	846.50	618.00
Aug, 2021	859.00	634.00	863.00	636.75
Sep, 2021	743.50	636.00	739.40	625.00
Oct, 2021	876.90	681.00	877.50	680.00
Nov, 2021	948.00	738.85	940.00	742.00
Dec, 2021	830.00	712.65	831.70	711.95
Jan, 2022	875.00	758.00	877.00	756.80
Feb, 2022	959.45	730.00	960.00	727.05
Mar, 2022	1,195.60	847.70	1,195.00	845.05

Comparison of SEML share price movements on BSE Sensex and NSE Nifty



Seml share price vs BSE Sensex



Seml share price vs NIFTY

Shareholding pattern as on 31st March, 2022

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/AIFs	7,95,299	2.21
3.	Foreign Portfolio Investors	6,20,179	1.72
4.	Bodies Corporate	18,38,445	5.09
5.	Individuals NRIs	1,83,782	0.51
6.	Resident Individuals	59,72,811	16.57
7.	IEPF Authority	1,84,865	0.51
8.	Others	3,19,494	0.89
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 31st March, 2022

Shareholding of nominal value (₹)	Shareholders		No. of shares	
	Number	% to total	Number	% to total
Up to 5,000	24,020	92.52	21,46,860	5.23
5,001 – 10,000	949	3.65	7,17,037	1.74
10,001 – 20,000	460	1.77	6,77,058	1.83
20,001 – 30,000	168	0.65	4,12,223	1.04
30,001 – 40,000	80	0.31	2,88,666	0.72
40,001 – 50,000	62	0.24	2,84,106	0.65
50,001 – 1,00,000	100	0.38	7,37,580	1.85
1,00,001 and above	124	0.48	3,07,85,705	86.94
Total	25,963	100.00	3,60,49,235	100.00

Dematerialization of securities : The 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 2022, out of the total 3,60,49,235 equity shares held by about 25,963 (PY 19,391) shareholders, 3,57,92,206 (PY 3,57,77,468) equity shares held by 23,742 (PY 17,027) shareholders representing 99.29% (PY 99.25%) 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 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/re-confirmed during the year are as under:

Particulars	Rating – 22.09.2021
Total facilities rated	₹ 1,105 crore
Long Term	CRISIL A+/Positive
Short Term	CRISIL A1 (Reaffirmed)

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. 35 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

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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.

The Company was required to have a Women Independent Director on its Board w.e.f. 1st April 2020. However, due to spread of Corona pandemic, suitable candidate for the office could not be appointed on or before the given date. The Company has complied with the requirements by appointing Women Independent Director w.e.f. 20th October 2020. The Company had received notices for non-compliance and fine from the Stock Exchanges, which have been suitably replied. Considering the Company's representation, BSE vide its email dt. 25th June 2021 has waived the fine for June 2020 and September 2020. However, BSE has levied fine of ₹ 1.121 lakh (including GST) for December 2020 quarter which has been paid by the Company. NSE had waived the fine.

Except as reported herein before, during the last three years, the Company has complied with all applicable Acts and Regulations and there was no non-compliance by the Company. Except as disclosed above, no penalties, strictures, fines were imposed on the Company by Stock Exchange or SEBI other or any statutory authority, on any matter related to capital markets.

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 / Transfer of divided on shares transferred 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.

In accordance with above provisions, the Company has transferred the unpaid dividend till the F.Y. 2013-14 to the IEPF. Additionally, as per the requirement and the procedures prescribed under the IEPF Rules, till date, the Company has transferred 1,84,865 shares to IEPF.

Corporate Governance Report

The Company had transferred unpaid dividend for F.Y. 2011-12 to IEPF in 2019. However, due to technical reasons, the payment of dividend to IEPF has not been updated in IEPF /MCA records because of which, the relevant details of shareholders (relating to dividend and shares transferred to IEPF) required to be filed with MCA, could not be filed. Even the funds have not been received back by the Company for re-transfer to IEPF. The Company is following up with the authorities/bank for resolution of the matter. Pending resolution of the matter, the Company shall not be able to accept the claims of dividend/shares from IEPF relating to F.Y. 2011-12 and shares transferred in 2019.

The details of unpaid dividend lying with the Company, the details of unpaid dividend transferred to IEPF and the details of the shares transferred to IEPF are available on the website of the Ministry of Corporate Affairs (except for details relating to unpaid dividend of F.Y. 2011-12 and shares transferred in 2019, for the reason given herein before) and 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.

During the current 2022-23, the Company was required to resubmit the form IEPF 7 for 2019-20 - relating to dividend transferred to IEPF on account of shares transferred to IEPF. On resubmission, the Company was not allowed to resubmit the investors details and consequently, the said transaction was cancelled by the MCA system. The funds have been not returned back to the Company. The Company has taken up the matter with the authorities. In view of the above, pending resolution of the matter, the Company shall not be able to accept any refund request from IEPF which involved dividend for F.Y. 2019-20 on share transferred to IEPF.

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.

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

The Company strives to conduct its business and strengthen relationships in a manner that is dignified, distinctive and responsible. The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, the 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](#)
2. [Related Party Transaction Policy](#)
3. [Dividend Distribution Policy](#)
4. [Other Policies](#)

If for any reason, the links do not support, the members are requested to refer the policies section under the heading Investors on the website of the Company.

Corporate Governance Report

- 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 amount to ₹ 40.50 lakh (Gross).
- 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

Company Secretaries

FRN: P1998CG012600

PR: 1396/2021

Sd/-

(CS Kamlesh Ojha)

Partner

FCS No. 10807

CP. No. 14660

UDIN: F010807D000730361

Place: Raipur
Date : 30th July, 2022

l) **Plant Location**

Industrial Growth Centre, Siltara
Raipur (C.G). 493 111
Ph: +91-771-2216100
Fax: +91-771-2216198
e-mail: cs@seml.co.in

m) **Address for correspondence**

Regd. Office
73-A, Central Avenue
Nagpur (M.H.)
Ph: +91-771-2722407
e-mail: cs@seml.co.in

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 21st 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 31st March 2022, 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 2022.

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.

Raipur
Date : 30th July, 2022

For, **O. P. Singhania & Co.**
Chartered Accountants
(ICAI Firm Reg. No. 002172C)
Sd/-
(Sanjay Singhania)
Partner
M.No.076961
UDIN: 22076961ADJUG4633