



QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company : **THE SANDUR MANGANESE & IRON ORES LIMITED**

Quarter Ending on : **31 DECEMBER 2014**

| PARTICULARS |                                                                                                  | Clause of Listing Agreement | Compliance Status Yes / No | Remarks                                                                                                                                                                                                                                                                                                                        |
|-------------|--------------------------------------------------------------------------------------------------|-----------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1           |                                                                                                  | 2                           | 3                          | 4                                                                                                                                                                                                                                                                                                                              |
| <b>II</b>   | <b>BOARD OF DIRECTORS</b>                                                                        | 49-II                       | YES                        | - - -                                                                                                                                                                                                                                                                                                                          |
| A           | Composition of Board                                                                             |                             |                            |                                                                                                                                                                                                                                                                                                                                |
|             | <i>Executive</i> : 6<br><i>Non Executive</i> : 6<br><b>TOTAL</b> : 12                            | 49-(II)(A)                  | YES                        | 50% of the Board comprises of non-executive directors including one woman director.                                                                                                                                                                                                                                            |
|             | <i>Executive</i> : 5<br><i>Exec. Promoter</i> : 1<br><i>Independent</i> : 6<br><b>TOTAL</b> : 12 | 49-(II)(A)                  | YES                        | Chairman of the Board is an executive director and half of the Board comprises of independent directors                                                                                                                                                                                                                        |
| B           | Independent Directors                                                                            | 49 (II)(B)                  | YES                        | None of the independent directors serve as an independent director in more than seven listed companies.<br>None of the independent directors has completed the maximum tenure of two terms of five consecutive years as specified under this clause.<br>Separate meeting of independent directors is proposed to be conducted. |
| C           | Non-Executive Directors' Compensation & Disclosures                                              | 49 (II)(C)                  | YES                        | Sitting Fee and Commission for non-executive independent directors is being paid as fixed by the Board within the limits specified under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014                                           |
| D           | Other provisions as to Board and Committees                                                      | 49 (II)(D)                  | YES                        | During the quarter under review, Board meeting was held on 8 November 2014. None of the directors hold membership in more than 10 committees.<br>.                                                                                                                                                                             |
| E           | Code of Conduct                                                                                  | 49 (II)(E)                  | YES                        | Code of Conduct for all Board members and senior management personnel has been adopted and declaration of its compliance has been included in the 60 <sup>th</sup> Annual Report for the year 2013-14.                                                                                                                         |



|     |                                              |                                          |             |          |                                                                                                                                                                                                                                                                                                                                        |
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| III | F                                            | Whistle Blower Policy                    | 49 (II)(F)  | Comments | The Audit Committee has established a vigil mechanism for its directors and employees in its meeting held on 28 May 2014. The same shall be disclosed in the 61 <sup>st</sup> Annual Report for the financial year 2014-15.                                                                                                            |
|     | <b>Audit Committee</b>                       |                                          | 49 (III)    | YES      |                                                                                                                                                                                                                                                                                                                                        |
|     | A                                            | Qualified & Independent Audit Committee  | 49 (III)(A) | YES      | Audit Committee consists of five independents directors and has the specified terms of reference.                                                                                                                                                                                                                                      |
|     | B                                            | Meeting of Audit Committee               | 49 (III)(B) | YES      | During the quarter under review, Audit Committee Meeting was held on 8 November 2014.                                                                                                                                                                                                                                                  |
|     | C                                            | Powers of Audit Committee                | 49 (III)(C) | YES      | Audit Committee has powers as specified under the said Clause.                                                                                                                                                                                                                                                                         |
|     | D                                            | Role of Audit Committee                  | 49 (III)(D) | YES      | Role of Audit Committee includes the required provisions.                                                                                                                                                                                                                                                                              |
|     | E                                            | Review of information by Audit Committee | 49(III)(E)  | YES      | Audit Committee reviews the prescribed areas of operations.                                                                                                                                                                                                                                                                            |
| IV  | <b>Nomination and Remuneration Committee</b> |                                          | 49 (IV)     | YES      | The 'Remuneration Committee' constituted on 22 April 2002, has been renamed as 'Nomination and Remuneration Committee' by the Board in its meeting held on 28 May 2014, in compliance with the requirement of amended Listing Agreement. The Committee consists of six independent directors and has the specified terms of reference. |
| V   | <b>Subsidiary Companies</b>                  |                                          | 49 (V)      | YES      | Star Metallics and Power Private Limited is the Subsidiary of the Company. The Company is complying with the requisite provisions of Clause 49(V) of the Listing Agreements.                                                                                                                                                           |
| VI  | <b>Risk Management</b>                       |                                          | 49 (VI)     | Comments | The Board constituted the 'Risk Management Committee' in its meeting held on 28 May 2014. The Committee consists of three whole-time directors and four independent directors and has the specified terms of reference.                                                                                                                |



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| VII<br>I | <b>Related Party Transaction</b> |                                    | 49 (VII)     | Comments                                                                                                                                        | <p>A policy on Related Party Transaction (RPT) was formulated and presented to the Audit Committee in its meeting held on 28 May 2014.</p> <p>During the quarter under review, related party transactions were undertaken with requisite approval of the Audit Committee.</p> <p>No material related party transaction requiring shareholders' approval was undertaken during the quarter under review.</p> |
|          | <b>Disclosures</b>               |                                    | 49 (VIII)    | ---                                                                                                                                             | ---                                                                                                                                                                                                                                                                                                                                                                                                         |
|          | A                                | Related Party Transactions         | 49 (VIII)(A) | YES                                                                                                                                             | <p>No material transaction requiring disclosure in the quarterly status report on corporate governance was undertaken during the quarter under review. Policy on Related Party has been placed on the Website of the Company and the same shall be disclosed in the 61<sup>st</sup> Annual Report for financial year 2014-15.</p>                                                                           |
|          | B                                | Disclosure of Accounting Treatment | 49 (VIII)(B) | YES                                                                                                                                             | <p>All applicable Accounting Standards are being followed in the preparation of financial statements and in case of any difference in accounting treatment the same shall be disclosed separately as and when required.</p>                                                                                                                                                                                 |
| C        | Remuneration of Directors        | 49 (VIII)(C)                       | YES          | <p>Information as required under this provision has been included in the 60<sup>th</sup> Annual Report of the Company for the year 2013-14.</p> |                                                                                                                                                                                                                                                                                                                                                                                                             |



|           |                                       |                                                                      |                 |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------|---------------------------------------|----------------------------------------------------------------------|-----------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           | D                                     | Management                                                           | 49<br>(VIII)(D) | YES | Management Discussion & Analysis Report forms part of Directors' Report in 60 <sup>th</sup> Annual Report for the year 2013-14.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|           | E                                     | Shareholders                                                         | 49<br>(VIII)(E) | YES | Information, as required under this provision has been provided in the 60 <sup>th</sup> Annual Report for the year 2013-14. An independent non-executive director is the Chairman of Stakeholders Relationship Committee, Venture Capital & Corporate Investments Private Limited, one of the leading SEBI registered Category-I Registrar and Transfer Agents is the Share Transfer Agent of the Company. Chairman & Managing Director, Joint Managing Director and the Company Secretary have been authorized by the Board to individually approve share transfers at least once in a fortnight. |
|           | F                                     | Disclosure of resignation of directors                               | 49<br>(VIII)(F) | NA  | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|           | G                                     | Disclosure of formal letter of appointment                           | 49<br>(VIII)(G) | Yes | Letter of appointment issued to the independent director along with detailed profile of the director is disclosed on the Company website.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|           | H                                     | Disclosures in the Annual report                                     | 49<br>(VIII)(H) | Yes | Shall be disclosed in the 61 <sup>st</sup> Annual Report for the financial year 2014-15.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|           | I                                     | Proceeds from public issues, rights, issue, preferential issues, etc | 49<br>(VIII)(I) | NA  | NA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>IX</b> | <b>CEO / CFO CERTIFICATION</b>        |                                                                      | 49 (IX)         | YES | CEO and CFO certificate was submitted to the Board while considering the approval of annual financial statements for the financial year 2013-14.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>X</b>  | <b>REPORT ON CORPORATE GOVERNANCE</b> |                                                                      | 49 (X)          | YES | A detailed compliance report on Corporate Governance forms part of the 60 <sup>th</sup> Annual Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>XI</b> | <b>COMPLIANCE</b>                     |                                                                      | 49 (XI)         | YES | Statutory Auditors' certificate on compliance with Corporate Governance has been annexed to Directors' Report in 60 <sup>th</sup> Annual Report for the financial year 2013-14.                                                                                                                                                                                                                                                                                                                                                                                                                    |