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| --- |
| BSE Code: 500295 | NSE Code: SSLT | ISIN: INE205A01025 |
| Sector: Mining & Mineral products | Meeting Type: Annual General Meeting |
| e-Voting Platform: |
| e-Voting Period: From 30th November, -0001 to 30th November, -0001 |
| Meeting Date: 30th November, -0001 at 4:20 PM |
| Meeting Venue: |
| Notice: Click here | Annual Report: |
| Company Email: [c.chitnis@vedanta.co.in](mailto:c.chitnis@vedanta.co.in) |
| Company Phone: 91-832-2460601 | Company Fax: 91-832-2460721 |
| Company Registered Office: Sesa Ghor 20 EDC Complex Patto, Panaji, Goa - 403001 |

Proxy Advisory

Corporate Governance Research

Corporate Governance Scores

Stakeholders’ Education

Proxy Advisory Report

Sesa Sterlite Ltd

**RESOLUTION []: APPOINTMENT/REAPPOINTMENT OF EXECUTIVE DIRECTORS**

ED 1

ED- 2

**SES RECOMMENDATION**

A Nomination & Remuneration Committee is essential to implement an independent and transparent director appointment and evaluation process. [Company] does not have a Nomination & Remuneration committee, which is in violation of the provisions of the Companies Act, 2013. Absence of a Nomination & Remuneration Committee, even though it is mandated by law, raises question mark over the director appointment process at the Company, and therefore, SES recommends that shareholders vote AGAINST the reappointment of [director].

The Company has not disclosed the remuneration paid to [director] in FY[]. SES is of the opinion that the remuneration disclosures made by the Company are not transparent and recommends that shareholders vote AGAINST the resolution.

**SES ANALYSIS**

**DIRECTOR'S PROFILE**

|  |  |  |
| --- | --- | --- |
|  | **Navin Kumar Agarwal** | **Tarun Chandmal Jain** |
| Current full time position | ED 1 | ED- 2 |
| Functional Area | General Management | Finance |
| Education | B.Com, OPM | CWA, CA and CS |
| Part of promoter group? | Yes | Yes |
| Past Experience | He is the Chairman of Vedanta Limited (erstwhile Sesa Sterlite Limited) Mr. Agarwal plays a key role in developing the strategic thinking and governance framework of the Vedanta Group, and provides | Mr. Jain has over 36 yearsâ experience in corporate finance, accounts, audit, taxation, secretarial and legal matters. He is responsible for Vedantaâs strategic financial matters, including corpor |
| Committee positions in the Company | NR(M) | CSR(M) |
| Retirement by rotation | Non Retiring | Retiring |
| **SES Recommendation** | **FOR** | **FOR** |

*A - Audit Committee, SR - Stakeholders' Relationship Committee, NR - Nomination & Remuneration Committee, CSR - Corporate Social Responsibility Committee, M - Member, C - Chairman*

ED 1

ED- 2

**PAST REMUNERATION OF THE DIRECTOR**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **In `Crore** | **FY 14/15** | | **FY 13/14** | | **FY 12/13** | |
| **Executive Director** | **Fixed Pay** | **Total Pay** | **Fixed Pay** | **Total Pay** | **Fixed Pay** | **Total Pay** |
| Navin Kumar Agarwal | 6.25 | 6.25 | 0 | 0 | 0 | 0 |
| Tarun Chandmal Jain | 7.28 | 9.03 | 0 | 0 | 0 | 0 |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  |  |  | | --- | --- | --- | | **Executive Remuneration - Peer Comparison** | | | | Director | Navin Kumar Agarwal |  | | Company | Sesa Sterlite Ltd | Coal India Ltd | | Promoter | yes |  | | Remuneration (` Cr) (A) | 14.12 |  | | Net Profits (` Cr) (B) | 1927.2 |  | | Ratio (A/B) | 0.73 | NaN | |  |

**DIRECTORS' TIME COMMITMENTS**

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Navin Kumar Agarwal** | **Tarun Chandmal Jain** |
| Total Directorships | 5 | 5 |
| Total Committee memberships | 0 | 3 |
| Total Committee Chairmanship | 0 | 0 |
| Full time role/ executive position | ED 1 | ED- 2 |

Note: Committee memberships include Committee chairmanships, Total Directorships include Directorships in Public as well Private Companies

ED 1

ED- 2

**DIRECTORS’ PERFORMANCE**

|  |  |  |
| --- | --- | --- |
| **Attendance record** | **Navin Kumar Agarwal** | **Tarun Chandmal Jain** |
| Last 3 AGMs | 1/1 | 1/1 |
| Board meetings held last year | 100% | 84% |
| Board meetings in last 3 years (avg.) | 100% | 84% |
| Audit Committee meetings | na% | na% |
| Nomination & Remuneration Committee meetings | 50% | na% |
| CSR Committee meetings | na% | 100% |
| Stakeholders' Relationship Committee meetings | na% | na% |

ED 1

ED- 2

**REMUNERATION PACKAGE OF NAVIN KUMAR AGARWAL**

|  |  |  |
| --- | --- | --- |
| **Component** | **Proposed Remuneration** | **Comments** |
| Basic Pay | Proposed Salary: `ED 1 | Increase in remuneration: ED 1 |
| Annual increment: ED 1 |
| Perquisites/ Allowances | All perquisites clearly defined: yes | Cap placed on perquisites: yes |
| Total allowances: `ED 1 |
| Variable Pay | yes | Performance criteria disclosed: yes |
| Cap placed on variable pay: yes |
| Notice Period | ED 1 months | ED 1 |
| Severance Pay | ED 1 months |
| Minimum Remuneration | ED 1 | Within limits prescribed: yes |
| Includes variable pay: yes |

**REMUNERATION PACKAGE OF TARUN CHANDMAL JAIN**

|  |  |  |
| --- | --- | --- |
| **Component** | **Proposed Remuneration** | **Comments** |
| Basic Pay | Proposed Salary: ` | Increase in remuneration: ED- 2 |
| Annual increment: ED- 2 |
| Perquisites/ Allowances | All perquisites clearly defined: yes | Cap placed on perquisites: yes |
| Total allowances: `ED- 2 |
| Variable Pay | yes | Performance criteria disclosed: yes |
| Cap placed on variable pay: yes |
| Notice Period | ED- 2 months | ED- 2 |
| Severance Pay | ED- 2 months |
| Minimum Remuneration | ED- 2 | Within limits prescribed: yes |
| Includes variable pay: yes |

ED 1

ED- 2

ED 1

ED- 2

ED 1

ED- 2

The Companies Act, 2013 provides that every listed company must form a Nomination and Remuneration Committee comprising of non-executive directors, a majority of whom should be independent directors. SES is of the opinion that having an independent Nomination & Remuneration Committee increases the independence and transparency of the directors' appointment and evaluation process, and is important for minority shareholders' protection. The fact that the Company has not formed such a committee, even though it is mandated by law, reflects poorly on the Company and raises question mark over its director appointment process.

The Company has disclosed consolidated remuneration paid to Executive Directors and not disclosed individual remuneration paid/ The Company has not disclosed the remuneration paid to [director]. SES is of the opinion that such non-disclosures lack transparency and is non-compliance with the listing agreement which requires disclosure of remuneration package of individual directors summarized under major groups

**RESOLUTION []: APPOINTMENT/REAPPOINTMENT OF NON-EXECUTIVE DIRECTORS**

Ned - 1

NEED- 2

**SES RECOMMENDATION**

In FY[], the remuneration paid to [director] was more than [] times the average remuneration paid to the other non-executive non-independent directors of the Company. The Company has not made a clear disclosure on the reason for skewed distribution of remuneration amongst the non-executive directors of the Company. SES is of the opinion that the remuneration paid to [director] is excessive compared to that of other non-executive directors of the Company and therefore, recommends that shareholders vote AGAINST the resolution. The Company has not provided adequate justification over [director]'s remuneration.

The Company has [] independent and [] non-independent directors. Chairman being [executive/non-executive/promoter] requires minimum 50% IDs as per listing agreement and therefore, board composition is not in accordance with the listing agreement. The Company has been non-compliant with the listing agreement for [] months/ days. Further, appointment of additional non-independent non-executive director would further reduce board independence. Therefore, SES recommends that shareholders should vote AGAINST the resolution. As a good governance practice, the Company should appoint an independent Chairman and appoint an Independent Director within the prescribed limits days to comply with the listing agreements.

**SES ANALYSIS**

**DIRECTOR'S PROFILE**

|  |  |  |
| --- | --- | --- |
|  |  |  |
| Current full time position | Ned - 1 | NEED- 2 |
| Functional Area | Ned - 1 | NEED- 2 |
| Education | Ned - 1 | NEED- 2 |
| Impact on diversity | Ned - 1 | NEED- 2 |
| Past Experience | Ned - 1 | NEED- 2 |
| Committee positions in the Company | Ned - 1 | NEED- 2 |
| Retirement by rotation | Ned - 1 | NEED- 2 |
| Part of promoter group? | Ned - 1 | NEED- 2 |
| **SES Recommendation** | **FOR** | **FOR** |

*A - Audit Committee, SR - Stakeholders' Relationship Committee, NR - Nomination & Remuneration Committee, CSR - Corporate Social Responsibility Committee, M - Member, C - Chairman*

Ned - 1

NEED- 2

**DIRECTORS' TIME COMMITMENTS**

|  |  |  |
| --- | --- | --- |
| **Criteria** |  |  |
| Total Directorships | Ned - 1 | NEED- 2 |
| Total Committee memberships | Ned - 1 | v |
| Total Committee Chairmanship | Ned - 1 | NEED- 2 |
| Full time role/ executive position | Ned - 1 | NEED- 2 |

Note: committee memberships include committee chairmanships

Ned - 1

NEED- 2

**DIRECTORS’ PERFORMANCE**

|  |  |  |
| --- | --- | --- |
| **Attendance record** |  |  |
| Last 3 AGMs | Ned - 1 | NEED- 2 |
| Board meetings held last year | Ned - 1 | NEED- 2 |
| Board meetings in last 3 years (avg.) | Ned - 1 | NEED- 2 |
| Audit Committee meetings | Ned - 1 | NEED- 2 |
| Nomination & Remuneration Committee meetings | Ned - 1 | NEED- 2 |
| CSR Committee meetings | Ned - 1 | NEED- 2 |
| Stakeholders' Relationship Committee meetings | Ned - 1 | NEED- 2 |

Ned - 1

NEED- 2

**DIRECTOR'S REMUNERATION**

Ned - 1Ned - 1

NEED- 2NEED- 2

[NED director] received a total remuneration of [] lakhs in FY[]. In contrast to this, the combined remuneration of the other non-executive directors on the Board was [] lakhs. The Company has not provided any justification on why [director]'s remuneration is disproportionate to remuneration paid to the other non-executive directors. In conclusion, SES is of the opinion that the remuneration policy followed by the Company is non-transparent and may not be fair. SES recommends that shareholders should seek clarifications on the non-executive directors' remuneration policy, from the Chairman of the Remuneration Committee of the Company.

The Company has [] independent and [] non-independent directors. It has [executive/non-executive/promoter] Chairman. Independent Directors are []% of the total board strength. The same is less than what is prescribed under listing agreement and therefore, board composition is not in accordance with the listing agreement. The Board has been non-compliant since [date]. A non-compliant board indicates high governance risk at the Company and raises question over board oversight mechanism and the independence of decision making on the Board.

The Company has [] independent and [] non-independent directors. It has [executive/non-executive/promoter] Chairman. Independent Directors are []% of the total board strength. The same is less than what is prescribed under listing agreement and therefore, board composition is not in accordance with the listing agreement. The Board has been non-compliant since [date]. A non-compliant board indicates high governance risk at the Company and raises question over board oversight mechanism and the independence of decision making on the Board.

**RESOLUTION []: APPOINTMENT/REAPPOINTMENT OF INDEPENDENT DIRECTORS**

ID - 1

ID -2

**SES RECOMMENDATION**

[Failure]. SES is of the opinion that in case of material failure of [governance/ stewardship/ risk oversight/ fiduciary responsibility] shareholders should vote AGAINST the entire board of directors, who are culpable/ answerable for the said failure.

The Company has not disclosed remuneration paid to [director] in FY[]. SES is of the opinion that disclosures made by the Company relating to remuneration are not transparent and recommends that shareholders vote AGAINST the resolution.

**SES ANALYSIS**

**COMPLIANCE**

|  |  |  |
| --- | --- | --- |
| Is Company complying with the retirement policy? | No | ID - 1 |
| Has the Company disclosed the Independence Certificate provided by the Independent Directors | Yes | ID - 1 |
| Has the Company disclosed the terms of appointment of Independent Directors | No | ID - 1 |
| Has the Company disclosed Board evaluation and Directors' Evaluation Policy | Yes | ID - 1 |
| Did Independent Directors meet atleast once without the Management | No | ID - 1 |
| Does the Company has a Lead independent Director? | Yes | ID - 1 |

**DIRECTOR'S PROFILE**

|  |  |  |
| --- | --- | --- |
|  | **Naresh Chandra** | **Ravi Kant** |
| Current full time position | ID - 1 | ID -2 |
| Functional Area | Administration | Operations |
| Education | Masters Degree in Mathematics, IAS | B.Tech, Masters in Management in Industry |
| Impact on diversity | ID - 1 | ID -2 |
| Past Experience | A former civil servant, he joined the Indian Administrative Services in 1956 | He is currently the Vice Chairman of Tata Motors and has been with them since February 1999, joining as Senior Vice President (Commercial Vehicles), and was inducted on their Board as an Executive Di |
| Committee positions in the Company | A(M),NR(C),CSR(C) | A(M),NR(M),CSR(M) |
| **SES Recommendation** | **FOR** | **&NBSP;** |

*A - Audit Committee, SR - Stakeholders' Relationship Committee, NR - Nomination & Remuneration Committee, CSR - Corporate Social Responsibility Committee, M - Member, C - Chairman*

ID - 1

ID -2

**DIRECTORS' INDEPENDENCE**

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Naresh Chandra** | **Ravi Kant** |
| Current tenure/association | 10 | 1 |
| Directorships at group companies | ID - 1 | ID -2 |
| Relationships with the Company | ID - 1 | ID -2 |
| Nominee director | ID - 1 | ID -2 |
| Shareholding / ESOPs | 0 | 0 |
| Remuneration ( ` Lakhs) | 60.40 | 59.90 |
| **SES Classification** | **NON INEPENDENT** | **INEPENDENT** |

ID - 1

ID -2

**DIRECTORS' TIME COMMITMENTS**

|  |  |  |
| --- | --- | --- |
| **Criteria** | **Naresh Chandra** | **Ravi Kant** |
| Total Directorships | 10 | 3 |
| Total Committee memberships | 9 | 1 |
| Total Committee Chairmanship | 0 | 0 |
| Full time role/ executive position | ID - 1 | ID -2 |

Note: Committee memberships include Committee chairmanships, Total Directorships include Directorships in Public as well Private Companies.

ID - 1

ID -2

**DIRECTORS’ PERFORMANCE**

|  |  |  |
| --- | --- | --- |
| **Attendance record** | **Naresh Chandra** | **Ravi Kant** |
| Last 3 AGMs | 1/1 | 1/1 |
| Board meetings held last year | 100% | 84% |
| Board meetings in last 3 years (avg.) | 100% | 86% |
| Audit Committee meetings | 100% | 80% |
| Nomination & Remuneration Committee meetings | 100% | 100% |
| CSR Committee meetings | 100% | 100% |
| Stakeholders' Relationship Committee meetings | na% | na% |

ID - 1

ID -2

**DIRECTOR PERFORMANCE INDEX ADD DRAWS SKEWED REMUNERATION DISCUSS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Response** | **Score** | **Maximum** |
| Board Meetings Attendance held in the last year |  |  | 5 |
| Board Meetings Attendance held in the last 3 years |  |  | 15 |
| Audit Committee Meetings Attendance |  |  | 10 |
| Nomination & Remuneration Committee Meetings Attendance |  |  | 10 |
| Total Directorships |  |  | 15 |
| Total Committee memberships |  |  | 15 |
| Total Committee Chairmanships |  |  | 15 |
| Full Time Role/Executive Position |  |  | 15 |
| Total | | 0 | 100 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Response** | **Score** | **Maximum** |
| Board Meetings Attendance held in the last year |  |  | 5 |
| Board Meetings Attendance held in the last 3 years |  |  | 15 |
| Audit Committee Meetings Attendance |  |  | 10 |
| Nomination & Remuneration Committee Meetings Attendance |  |  | 10 |
| Total Directorships |  |  | 15 |
| Total Committee memberships |  |  | 15 |
| Total Committee Chairmanships |  |  | 15 |
| Full Time Role/Executive Position |  |  | 15 |
| Total | | 0 | 100 |

Not added (AGAINST Recommendation)

The Company has not disclosed the remuneration paid to [director]. SES is of the opinion that such non-disclosures indicates lack of transparency and are in non-compliance with the listing agreement which requires disclosure of remuneration package of individual directors summarized under major groups.

The Company has not disclosed the remuneration paid to [director]. SES is of the opinion that such non-disclosures indicates lack of transparency and are in non-compliance with the listing agreement which requires disclosure of remuneration package of individual directors summarized under major groups.