



स्टील अथॉरिटी ऑफ इण्डिया लिमिटेड
STEEL AUTHORITY OF INDIA LIMITED

No.CA-17(44)/2021

28th June, 2021

The General Manager (MO)
Bombay Stock Exchange
Corporate Relationship Department
1st Floor, New Trading Ring,
Rotunda Building, P.P. Tower,
Dalal Street, Fort, Mumbai-400001

The Asstt. Vice President
National Stock Exchange of India Ltd.
Plot No.C/1, G Block,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400 051.

Sub: Secretarial Compliance Report for FY 2020-21

Dear Sir,

Pursuant to Regulation 24A of the SEBI(Listing Obligations & Disclosure Requirements), Regulations, 2015 read with Circular no. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, please find enclosed the Annual Secretarial Compliance Report in respect of Steel Authority of India Limited for the financial year ended 31st March 2021.

Thanking you,

Yours faithfully,

(M.B. Balakrishnan)
Company Secretary

Encl: As Above



**SECRETARIAL COMPLIANCE REPORT
OF
STEEL AUTHORITY OF INDIA LIMITED**

For the year ended 31st March, 2021

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **Steel Authority of India Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2021 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

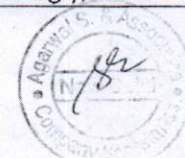


- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (g) Securities and Exchange Board of India(Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations,2013;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- and circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.*	Regulation 17 (1) (a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. Provided that the Board of directors of the top 500 listed entities shall have at least one independent woman director by April 1, 2019.	The number of Non-executive Directors on the Board is less than fifty percent of the total strength during the period from 01.04.2020 to 10.06.2020 and from 22.09.2020 to 31.03.2021 and the Company has no independent woman director on the Board of Company during the period from 01.04.2020 to 31.03.2021.	The Company is a listed entity. Accordingly, fifty percent of the total strength of the board of directors should have comprised of non-executive directors during the period from 01.04.2020 to 10.06.2020 and from 22.09.2020 to 31.03.2021. The Board of Directors of the Company shall have at least one independent woman director during the period under review.
2.*	Regulation 17 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure	The number of Independent Directors on the Board is less than fifty percent of the total	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of



	Requirements) Regulations, 2015, where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.	strength during the period 01.04.2020 to 31.03.2021.	Independent Directors should have been at least 50% of the total strength of Board Members during the period under review.
3.*	Regulation 17 (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of independent directors shall be done by the entire Board of Directors.	The performance evaluation of Independent Directors has not been done by the entire Board of Directors.	The entire Board of Directors shall carry out the performance evaluation of Independent Directors.
4.*	Regulation 19(4) read with Schedule II Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, the Nomination and Remuneration Committee shall: (a) formulate 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; (b) formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors; (c) devise a policy on diversity of Board of	The Nomination and Remuneration Committee has not: (a) formulated 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; (b) formulated the criteria for evaluation of performance of Independent Directors and the Board of Directors; (c) devised a policy on diversity of Board of Directors.	The Nomination Committee shall formulate the said policies/criteria.



	Directors.		
5.*	Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors shall in their meeting: (a) review the performance of non-independent directors and the board of directors as a whole; (b) review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.	The Independent Directors in their separate meeting has not: (a) reviewed the performance of non-independent directors and the board of directors as a whole; (b) reviewed the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.	The Independent Directors should have in their separate meeting held on 15.05.2020, reviewed the performance of non-independent directors and the board of directors as a whole and also review the performance of the Chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.

* As informed by the Management, SAIL is a Government Company and appointment of Directors on the Board of the Company is made based on nomination by Government of India (GOI). Further, terms & conditions of appointment as well as tenure of all Directors are also decided by GOI and there is a well laid down procedure for evaluation of Directors by the Administrative Ministry. Accordingly, NRC has not formulated the criteria for determining qualifications, positive attributes and independence of a director, evaluation of performance of Independent Directors and the Board of Directors and policy on diversity of Board of Directors. Further, Ministry of Corporate Affairs has vide its Notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted for Government Companies.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/guidelines issued thereunder:



Sr. No	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
1.	National Stock Exchange Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2020-2021.	<p>NSE vide its e-mail/ letter dated:</p> <ul style="list-style-type: none"> ❖ September 8, 2020 has imposed a fine of Rs. 2,53,700/-for quarter ended 31st March, 2020. ❖ August 20, 2020 has imposed a fine of Rs. 5,36,900/- for quarter ended 30th June, 2020 ❖ November 17, 2020 has imposed a fine of Rs. 5,42,800/-for quarter ended 30th September, 2020. 	The Company has submitted quarter wise responses vide their letters dated 10.09.2020, 16.09.2020 and 09.12.2020 respectively and has requested the Stock Exchanges to waive off the penalty on the grounds that the power to appoint Directors including Independent Directors on the Board of Company vests with the Government of India
2	BSE Limited	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2020-2021.	<p>BSE vide its e-mail/ letter dated:</p> <ul style="list-style-type: none"> ❖ September 8, 2020 has imposed a fine of Rs. 2,53,700/- for quarter ended 31st March, 2020. ❖ August 20, 2020 has imposed a fine of Rs. 5,36,900/- for quarter ended 30th June, 2020. ❖ November 17, 2020 has imposed a fine of Rs. 5,42,800/-for quarter ended 30th September, 2020. ❖ February 15, 2021 has imposed a fine of Rs. 5,42,800/- for quarter ended 31st December, 2020. 	<p>The Company has submitted a response vide their letter dated 10.09.2020, 21.08.2020, 18.11.2020 and 18.02.2021 for quarter ended 31st March, 2020, 30th June, 2020, 30th September, 2020 and 31st December, 2020 respectively and has requested the Stock Exchanges to waive off the penalty on the grounds that the power to appoint Directors including Independent Directors on the Board of Company vests with the Government of India.</p> <p>After considering the facts of the case and the Company's representation, the stock exchange vide their email dated 19th April, 2021 waived off the fines</p>



				of Regulation 17(1) of the SEBI (LODR), 2015 for the quarter ended 30 th September, 2020 and 31 st December, 2020.
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(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1	Regulation 17 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company is a listed entity Accordingly, fifty percent of the total strength of the board of directors shall comprise of non-executive directors from 04.02.2020 to 31.03.2020	The matter for nominating of requisite number of Independent Directors on the Board of the Company has been regularly taken up with the Administrative Ministry.	<i>Company should comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</i>
2	Regulation 17 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Board of Directors of the Company is headed by an Executive Chairman. Accordingly, the number of Independent Directors should have been at least 50% of the Board Members during the period from 06.11.2019 to 12.11.2019 and 18.11.2019 to 31.03.2020.	The matter for nominating of requisite number of Independent Directors on the Board of the Company has been regularly taken up with the Administrative Ministry.	<i>The Company should continue to pursue with Department of Public Enterprises (DPE) through its Administrative Ministry.</i>
3	Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,	The entire Board of Directors shall carry out the performance evaluation of Independent Directors.	In respect of observation regarding performance evaluation of the Directors not being carried out pursuant to the Regulation 17(10) & 25(4) of Securities Exchange Board of India (Listing Obligations and	
4	Regulation 25 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,	The Independent Directors shall, in their separate meeting held on 30.05.2019, review the performance of non-independent directors and the board of directors		



		as a whole and also review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.	Disclosure Requirements) Regulations, 2015, it is submitted that Ministry of Corporate Affairs has vide its Notification dated 5th June, 2015 notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which, inter-alia, provides that Sub Sections (2), (3) & (4) of Section 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of the Government Companies. Further, the Ministry of Corporate Affairs vide Notification dated 5th July, 2017 has notified certain amendments in Schedule IV of the Companies Act, 2013 relating to Code for Independent Directors. As per the Notification, in Schedule IV, the clauses relating to evaluation of performance of Non-Independent Directors, Chairperson and Board have been exempted
5	Regulation 19 (4) read with Schedule II Part D (A) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015,	The Nomination Committee shall formulate the said policies/criteria's.	



			for Government Companies.	
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- (e) As informed by the management, appointment of SAIL's statutory auditor has been done by the office of the Comptroller and Auditor General Auditor General of India (C&AG). Appointment letter also contains terms of appointment to the statutory auditors. With regard to para 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019, there is no case of resignation by Auditors appointed by C&AG.

For **Agarwal S. & Associates,**
Company Secretaries,
 ICSI Unique Code: P2003DE049100
 Peer Review Cert. No.: 626/2019



Agarwal

Signature: _____

Name of the Practicing Company Secretary: **CS Sachin Agarwal**

FCS No.:5774

C P No.: 5910

Place: New Delhi
 Date: 23.06.2021
 UDIN:F005774C000502270

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for expression of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, happening of events, etc. and relied upon.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Compliance Report is to be read along with Secretarial Audit Report of the corresponding period.
7. The Secretarial Compliance Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
8. The prevailing circumstances in the Country on account of Lockdown/ restrictions on movements and Covid 19 have impacted physical verification of the records/ documents of the Company.

For Agarwal S. & Associates,
Company Secretaries,
ICSI Unique Code: P2003DE049100
Peer Review Cert. No.: 626/2019



A handwritten signature in black ink, appearing to read "Sachin Agarwal".

Signature: _____

Name of the Practicing Company Secretary: CS Sachin Agarwal

FCS No.:5774

C P No.: 5910

Place: New Delhi

Date: 23.06.2021