



**SECRETARIAL COMPLIANCE REPORT OF
STEEL AUTHORITY OF INDIA LIMITED
FOR THE YEAR ENDED 31stMARCH, 2023**

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” or “SAIL”),
- (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 31stMarch, 2023 (“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 and Sweat Equity) Regulations,2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations,2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;

And circulars/ guidelines issued thereunder;

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

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	<u>Secretarial Standard</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	None
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated asper the Regulations/Circulars/Guidelines issued by SEBI 	Yes	None

3.	<p><u>Maintenance and disclosures on Website:</u></p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-Directs to the relevant document(s)/section of the website 	Yes	None
4.	<p><u>Disqualification of Director:</u></p> <p>None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013</p>	Yes	None
5.	<p><u>To examine details related to Subsidiaries of listed entities:</u></p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Requirements with respect to disclosure of material as well as other subsidiaries</p>	Yes	None
6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy Prescribed under SEBI LODR Regulations, 2015</p>	Yes	None
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations</p>	NA	The Company has informed that the Directors of the Company are appointed/ nominated by the Government of India. Therefore the performance evaluation is also done by Government of India, being

			appointing authority. Further, as per notification dated 5 th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees.
8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee</p>	Yes	None
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.</p>	Yes	None
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	No	The Software for SDD Certificate is being developed. Therefore, the SDD certificate for Quarter September, 2022 and December, 2022 could not be submitted.

11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and Circulars /guidelines issued thereunder</p>	No	Mentioned in below Table (a)
12.	<p><u>Additional Non-compliances, if any:</u></p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	Yes	None

(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) (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (v) Advisory/ Clarification /Fine/Show CauseNotice/ Warning, etc.	Details of Violation (vi)	Fine Amount (vii)	Observations/ Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
1.	Board of directors shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty	Regulation 17 (1)	The Company did not have requisite number of independent directors on its Board during the period from 01.01.2022 to 31.03.2022	BSE Limited (BSE) and National Stock Exchange of India (NSE) for the Quarter ended March, 2022.	Fine	Non-Compliance with the provisions of Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements)	Rs. 5,31,000/- each inclusive of GST.	Refer column (vi) of Table (a)	The Company periodically followed up with the Government of India for appointment of requisite number of independent directors on the	The Company has filed their reply to BSE dated 25.05.2022 for the Quarter ended 31.03.2022 respectively stating that the Company, being a Govt. Company, were regularly following

	percent of the board of directors shall comprise of non-executive directors.					Regulations, 2015 w.r.t. Composition of Board.			Board.	up with the Govt. of India requesting for appointment of requisite number of Independent Directors. The matter of filing up of these vacancies is under process at the end of GOI. Company has also requested for the waiver of the fines imposed for the Quarter ended March,2022
2.	(a) Board of directors 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.	Regulation 17 (1)	The Company did not have requisite number of independent directors on its Board during the period from 01.04.2022 to 30.06.2022.	BSE Limited (BSE) and National Stock Exchange of India (NSE) for the Quarter ended June, 2022.	Fine	Non-Compliance with the provisions of Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 w.r.t. Composition of Board.	Rs. 5,36,900/- each inclusive of GST.	Refer column (vi) of Table (a)	The Company periodically followed up with the Government of India for appointment of requisite number of independent directors on the Board.	The Company has filed their reply to BSE & NSE dated 24.08.2022 and 01.09.2022 for the Quarter ended 30.06.2022 respectively stating that the Company, being a Govt. Company, were regularly following up with the Govt. of India requesting for appointment of requisite number of Independent Directors. The matter of filing up of these vacancies

										is under process at the end of GOI. Company has also requested for the waiver of the fines imposed for the Quarter ended June,2022
3.	(a) Board of directors 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. (b) No listed entity shall appoint a person or continue the	Regulation 17 (1) & 17(1A)	The Company did not have requisite number of independent directors on its Board during the period from 01.07.2022 to 30.09.2022. The company	BSE Limited (BSE) and National Stock Exchange of India (NSE) for the Quarter ended September, 2022	Fine	Non-Compliance with the provisions of Regulation 17 (1) & 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 w.r.t. Composition of Board and continuation of Non-Executive director who had attained the age of 75 years respectively.	Rs. 6,74,960/- each inclusive of GST	Refer column (vi) of Table (a)	The Company periodically followed up with the Government of India for appointment of requisite number of independent directors on the Board. Further, Shri Shankarappa has ceased to be a director of the company, since 12.11.2022 due to completion of his 3-year tenure. Further, the Board of Directors of SAIL had appointed	The Company has filed their reply to BSE & NSE dated 29.11.2022 for the Quarter ended 30.09.2022 respectively stating that the Company, being a Govt. Company, were regularly following up with the Govt. of India requesting for appointment of requisite number of Independent Directors. The matter of filing up of these vacancies is under process at the end of GOI.

	<p>directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.</p>		<p>had a Non-Independent Director (Shri Nidgurti Shankarappa) who had attended the age of 75 years without passing special resolution during The period from 01.07.2022 to 30.09.2022.</p>						<p>Shri Nidgurti Shankarappa as an additional director for a period of three years with effect from 13.11.2019. Further, shareholders of the Company appointed Shri Shankarappa as an Independent Director of the Company for a term up to 12th November, 2022 by an Ordinary Resolution securing 99.86% of the votes cast. All necessary information required to be submitted was provided in the Notice of the AGM which inter-alia included the term of the Directorship. Also, at the time of appointment</p>	
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									in the instant case, GOI was holding 75% of the total paid-up share capital of the Company, and consequently, passing a special resolution instead of an ordinary resolution for the appointment would not have changed the outcome. The Company has also requested for the waiver of the fines imposed for the Quarter ended September,2022	
4.	(a) Board of directors shall have an optimum combination of executive and non-executive directors with at least one-woman director and not	Regulation 17 (1) & 17(1A)	The Company did not have requisite number of independent directors on its Board during the period from 01.10.2022 to 31.12.2022.	BSE Limited (BSE) and National Stock Exchange of India (NSE) for the Quarter ended December, 2022	Fine	Non-Compliance with the provisions of Regulation 17 (1) & 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure	Rs. 6,44,280/- each inclusive of GST	Refer column (vi) of Table (a)	The Company periodically followed up with the Government of India for appointment of requisite number of independent	The Company has filed their reply to BSE dated 22.02.2023 for the Quarter ended 31.12.2022 stating that the Company, being a Govt. Company, were regularly following

<p>less than fifty percent of the board of directors shall comprise of non-executive directors.</p>					<p>Requirements) Regulation, 2015 w.r.t. Composition of Board and continuation of Non-Executive director who had attained the age of 75 years respectively.</p>			<p>directors on the Board. Further, Shri Shankarappa has ceased to be a director of the company, since 12.11.2022 due to completion of his 3-year tenure.</p> <p>Further, the Board of Directors of SAIL had appointed Shri Nidgurti Shankarappa as an additional director for a period of three years with effect from 13.11.2019 by an Ordinary Resolution securing 99.86% of the vote cast. GOI was holding 75% of the total paid up capital</p>	<p>up with the Govt. of India requesting for appointment of requisite number of Independent Directors. The matter of filing up of these vacancies is under process at the end of GOI. Non-compliance with regard to the composition of the Board is not due to any negligence/default by the Company as the same is not under the control of the company.</p>
<p>(b) No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the</p>		<p>The company had a Non-Independent Director (Shri Nidgurti Shankarappa) who had attended the age of 75 years without passing special resolution during the period from 01.10.2022 to</p>							

	<p>explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.</p> <p>No Listed Entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 Years unless a special resolution is passed to that effect.</p>		12.11.2022.						and consequently the passing a special resolution instead of an ordinary resolution for the appointment would not have changed the outcome. Company has also requested for the waiver of the fines imposed for the Quarter ended December,2022.	
5.	The listed entity shall disclose to the stock exchange in quarterly, half yearly and year to date and annual financial statements, as applicable, the extent and the nature of the	Regulation 54(2)	The listed entity did not filed disclosure under Regulation 54(2) for quarter ended 31.03.2022.	BSE Limited (BSE)	Fine	Non-compliance with the provisions of Regulation 54(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.	BSE imposed a fine of Rs. 35400/- for the quarter ended 31.03.2022	Refer column (vi) of Table (a)	The company submitted to the Debenture /Bond Trustee a half yearly certificate regarding maintenance of 100% or more security cover as prescribed under regulation	

	security created and maintained with respect to its securities listed non-convertible debt securities.								56(1). The Company replied to BSE on 08.07.2022 stating that SAIL has submitted all the prescribed ratios as required under regulation 52(4) which also include the Total Debts to Total Assets ratio of the company to address the compliance under regulation 56(1).	
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations /Circulars/ guidelines Including Specific clause) (i)	Regulation /Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action (v)	Details of Violation (vi)	Fine Amount (vii)	Observations/ Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
1.	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.	Regulation 17 (1) (a)	The number of Non-Executive Directors on the Board is less than fifty percent of the total strength during the period from 01.04.2021 to 07.11.2021 and the Company has no independent woman director on the Board of Company during the period from 01.04.2021 to 14.11.2021.	National Stock Exchange Limited (NSE)	NSE vide its e-mail/ letter dated: ❖ May 17 th 2021 has imposed a fine of Rs. 5,31,000 for quarter ended 31 st March 2021. ❖ August 20 th , 2021 has imposed a fine of Rs. 5,36,900/- for quarter ended 30 th	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2021-22.	Rs. 2153500/- inclusive of GST	Refer column (vi) of Table (b)	The Company has submitted quarter wise responses vide their letters dated 24.05.2021, 21.08.2021, 24.11.2021 and 23.02.2022 respectively and has requested the Stock Exchanges to waive off the fine on the grounds that the Independent Directors on the Board of Company vests with the Government of India.	The Company has submitted quarter wise responses vide their letters dated 24.05.2021, 21.08.2021, 24.11.2021 and 23.02.2022 respectively and has requested the Stock Exchanges to waive off the fine on the grounds that the Independent Directors on the Board of Company vests with the Government of India.

2.	Where the listed entity does executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.	Regulation 17 (1) (b)	The number of Independent Directors on the Board is less than fifty percent of the total strength during the period 01.04.2021 to 31.03.2022.	BSE Limited (BSE)	<p>June, 2021.</p> <ul style="list-style-type: none"> ❖ November 22nd 2021 has imposed a fine of Rs. 5,42,800/- for quarter ended 30th September, 2021 ❖ February 21st, 2022 has imposed a fine of Rs. 5,42,800/- for quarter ended 31st December, 2021. <p>BSE vide its e-mail/ letter dated:</p> <ul style="list-style-type: none"> ❖ May 17th 2021 has imposed a fine of Rs. 5,31,000 for quarter ended 31st 	Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2021-22.	Rs. 2153500/- inclusive of GST	Refer column (vi) of Table (b)	Directors on the Board of Company vests with the Government of India.	
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					<p>March 2021.</p> <ul style="list-style-type: none">❖ August 20th, 2021 has imposed a fine of Rs. 5,36,900/- for quarter ended 30th June, 2021.❖ November 22nd 2021 has imposed a fine of Rs. 5,42,800/- for quarter ended 30th September, 2021 <p>February 21st, 2022 has imposed a fine of Rs. 5,42,800/- for quarter ended 31st December, 2021.</p>				
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(c) 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.: 2725/2022

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Garima Grover
Partner

ACS No. :27100

C.P No.: 23626

UDIN: A027100E000408943

Date: 29.05.2023

Place: New Delhi