

CORPORATE GOVERNANCE REPORT

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations"]

Detailed report on Corporate Governance for the financial year ended March 31 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings.

The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

2. BOARD OF DIRECTORS:

COMPOSITION AND CATEGORY

Composition of Board and Directorship held as on March 31, 2019 and numbers of meetings held and attended during the year are as follows:

Name of Director	Category	Numbers of Board Meetings		No. of other Directorships held	Committee Memberships held in other companies		Attendance at Last AGM
		Held during the year	Attended during the year		as Member	as Chairman	
NON-EXECUTIVE DIRECTOR							
Shri Rajendra V. Shah	Promoter Non- Executive Chairman	4	4	2	2	Nil	Yes
EXECUTIVE DIRECTORS							
Shri Sujal Shah	Non Promoter Executive Director	4	4	1	1	Nil	Yes
Shri Babulal Singhal	Non Promoter Whole time Director	4	4	1	Nil	Nil	No
Shri Anil Pandya	Non Promoter Whole time Director	4	4	1	Nil	Nil	No
INDEPENDENT DIRECTORS							
Shri Ambalal C. Patel	Non – Executive & Independent	4	4	6	9	2	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	3	2	3	0	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	4	2	3	0	No
Shri Shrikant N. Jhaveri	Non-Executive & Independent	4	4	2	3	0	No
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	2	0	3	Yes

The composition of the Board of Directors of the Company represents an appropriate mix of executive and non-executive directors to ensure the independency of the Board and to separate the board functions of governance and management. The Board currently comprises of three Executive Directors and Six Non-Executive Directors including the Chairman of the Board.

Independent Directors' Meeting

Independent Directors met on February 13, 2019 without presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

None of the Directors are related to each other.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

As on March 31 2019, Shri Ambalal C. Patel, Independent Director of the Company held 89,000 shares in the equity share capital of the Company. None of the other Non-Executive Directors hold any equity shares in the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

Pursuant to regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the independent directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy and risk management plan of the Company.

3. COMMITTEES OF THE BOARD

The Board has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is governed by its Charter which outlines the scope, roles, responsibilities and powers. All the decisions and recommendations of the Committee are placed before the Board for its approval.

The various Board level Committees are as under:-

- Audit Committee;
- Nomination & Remuneration Committee; and
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

AUDIT COMMITTEE:

The terms of reference of the Audit Committee are wide enough to cover matters specified for Audit Committees under Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements), Regulations 2015 as well as in Section 177 of the Companies Act, 2013 besides other terms as may be referred to by Board of Directors from time to time.

The Audit Committee comprises of Three non-executive Directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Audit Committee) as on , further all Members of Audit Committee are Independent Directors. During the period under review, Four Audit Committee meetings were held respectively on 28/05/2018 (Adjourned to 30/05/2018), 11/08/2018 (Adjourned to 13/08/2018), 14/11/2018, 13/02/2019 The composition of the Audit Committee and attendance at its meetings is given hereunder:

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	28/05/2014	Chairman	4	4
Shri Ambalal C. Patel	--	28/05/2014	Member	4	4
Smt. Shefali Patel	--	13/02/2019	Member	4	1
Shri Harshad M. Shah	13/02/2019	28/05/2014	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2014	Chairman	4	3

The Chairman of the Audit Committee was not present at the last Annual General Meeting of the Company.

NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Nomination and Remuneration Committee) as on , further all Members of Nomination and Remuneration Committee are Independent Directors.

During the period under review, three meetings of Nomination and Remuneration Committee were held on 28/05/2018, 11/08/2018, 14/11/2018, and 13/02/2019.

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	13/02/2019	Chairman	4	1
Shri Ambalal C. Patel	--	28/05/2019	Member	4	4
Smt. Harshad M. Shah	--	28/05/2019	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2019	Chairman	4	3

Nomination and Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing/ Whole Time Directors and KMPs based on performance and defined criteria.

Board Evaluation

Pursuant to section 134 of the Companies Act, 2013, the Board is responsible for the formal Annual Evaluation of its own performance, of its committee & Individual Directors. Further, as per regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, performance evaluation of the Independent Directors shall be done by entire Board of Directors, excluding directors being evaluated.

During the year, Board in concurrence with Nomination & Remuneration Committee has laid down the evaluation criteria for itself, Committees, Chairperson, Executive and Non- Executive Directors and Independent Directors. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of the Board of Directors.

The following broad parameters were considered to evaluate the performance of the independent Directors:

- Integrity, maintenance of high standard and confidentiality;
- Commitment and participation at the Board & Committee meetings;
- Effective deployment of knowledge and expertise;
- Exercise of independent judgment in the best interest of Company;
- Interpersonal relationships with other directors and management.

The following broad parameters were considered to evaluate the performance of the Board and Committees:

- Size, structure and expertise of the Board/Committees;
- Review of strategies, risk assessment, robustness of policies and procedures by Board;
- Oversight of the financial reporting process & monitoring Company's internal control system;
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions;
- Effective discharge of functions and duties by Committee as per terms of reference;
- Appropriateness and timeliness of the updates given on regulatory developments;
- Board's engagement with senior management team.

Remuneration of Directors

- a. All Pecuniary Relationship or Transactions of the Non- Executive Directors

There were no pecuniary relationship or transactions of the non-executive directors vis a vis the Company.

- b. Criteria for Making Payment to Non- Executive Directors

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the non-executive/independent directors is recommended.

- c. Compensation/Fees Paid to Non-Executive Directors

Non-Executive Independent Directors were paid sitting fees for attending the Board and Committee Meetings.

- d. Details of Remunerations

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2019 are as under:

Name of Director	Sitting Fees (₹)	Salaries & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Rajendra Shah	Nil	Nil	Nil	Nil
Shri Sujal Shah	Nil	4,32,000	Nil	4,32,000
Shri Babulal Singhal	Nil	4,92,000	Nil	4,92,000
Shri Anilkumar Pandya	Nil	4,80,000	Nil	4,80,000
Shri Ambalal Patel	60,000	Nil	Nil	60,000
Shri Tejpal Shah	30,000	Nil	Nil	30,000
Shri Harshad Shah	37,500	Nil	Nil	37,500
Shri Jethalal Shah	45,000	Nil	Nil	45,000
Shri Shrikant Jhaveri	60,000	Nil	Nil	60,000
Smt. Shefali Patel	37,500	Nil	Nil	37,500

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

The Committee is empowered to oversee the Redressal of Investors' complaints and other miscellaneous complaints. The Company as a matter of policy disposes of investor complaints within a span of five working days.

The Stakeholder's Grievance Committee comprises of three independent Non-executive directors as on 31st March, 2019 and during the year 2018-19 your company has reconstituted the committee due to sad demise of Mr. Jethalal M. Shah (Chairman of Stakeholder's Grievance Committee) as on , further all Members of Stakeholder's Grievance Committee are Independent Directors. During the period under review, four meetings of Stakeholders' grievance Committee were held on 28/05/2018, 11/08/2018, 14/11/2018, and 13/02/2019.

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	13/02/2019	Chairman	4	1
Shri Ambalal C. Patel	--	28/05/2019	Member	4	4
Smt. Harshad M. Shah	--	28/05/2019	Member	4	3
Shri Jethalal M. Shah	13/01/2019	28/05/2019	Chairman	4	3

Name and designation of Compliance Officer

Shri Manish Ramchand Daulani, Company Secretary has been appointed as Company Secretary & Compliance Officer of the Company as per regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to discharge all duties under the listing regulations.

Details of Shareholders Complaints

The details of shareholders complaints received and resolved till March 31, 2019 are as under:

No. of shareholders' complaints received during the year: Nil

No. of complaints not resolved to the satisfaction of shareholders: Nil

No. of pending Complaints: Nil

No. of complaints resolved during the year: Nil

4. GENERAL BODY MEETING**Date, Time and Venue of the last three Annual General Meetings:**

Year	Date	Time	Venue	No. of special resolutions passed
2015-16	September 24th, 2016.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2016-17	September 30th, 2017.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2017-18	September 29th, 2018	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01

- No extra-ordinary general meeting of the shareholders was held during the year.
- Postal ballot: during the year under review, no resolution was put through by postal ballot.

5. MEANS OF COMMUNICATION

- All Quarterly / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- As per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, results are also published in leading daily local & English National newspapers namely Indian Express and Financial Express. The said results are also displayed at Company's web site.
- The Company's website www.salsteel.co.in contains a separate dedicated section named "Investors" where information for shareholders is available. Press releases, if any, are also displayed at Company's website as well as published in newspapers.

6. GENERAL SHAREHOLDERS INFORMATION

The Company is registered in the State of Gujarat having Corporate Identification Number (CIN) as allotted by Ministry of Corporate Affairs (MCA) as L29199GJ2003PLC043148.

a) Annual General Meeting.

Date : 25th September, 2019

Time : 01:00 PM

Venue : SAL Institute & Engineering Research, Opp. Science City, Ahmedabad: 380 060.

b) Financial Year

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Quarterly Results for the financial year 2019-20 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2019 : By 14th August 2019
 Quarter ending 30th September 2019 : By 14th November 2019
 Quarter ending 31st December 2019 : By 14th February 2020
 Quarter ending 31st March 2020 : By 30th May 2020

c) **Dividend Payment Date** : Not Applicable

d) **Listing on Stock Exchange** : **Bombay Stock Exchange Ltd.(BSE)**
 Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400001
 (Scrip Code: 532604)
 : **National Stock Exchange of India Ltd (NSE)**
 “Exchange Plaza”, BandraKurla Complex, Bandra (E), Mumbai – 400051
 (NSE Symbol: SALSTEEL)

Company has paid listing fees in respect of financial year 2019-20 to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

e) **Demat ISIN No. for NSDL and CDSL** : INE658G01014

f) **Stock code** : **Bombay Stock Exchange Ltd.**
 Scrip Code: 532604
National Stock Exchange of India Ltd
 Symbol: SALSTEEL

g) Share Price Data

(Rs. per share)

Month	Price at BSE		Price at NSE	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
Apr' 18	10.30	6.96	9.90	7.10
May' 18	8.88	6.41	8.90	6.50
June' 18	8.20	6.66	8.25	6.65
July' 18	8.15	5.50	7.30	5.10
Aug' 18	7.80	6.02	8.35	5.95
Sept' 18	7.50	5.57	7.50	5.60
Oct' 18	6.95	4.86	6.40	4.60
Nov' 18	7.85	5.40	7.95	5.45
Dec' 18	7.04	5.75	7.30	5.80
Jan' 19	7.78	5.62	7.80	5.60
Feb' 19	6.19	4.51	6.15	4.40
Mar' 19	6.00	4.66	5.95	4.65

h) Registrar to an Issue and Share Transfer Agents

The members of the Company may address all its communication relating to transfer, transmission, Refund order, Dividend, National Electronic Clearing system (NECS) dematerialisation etc. to Company's Share Transfer Agent i.e. Karvy Fintech Private Limited at the below address and may also write to the Company.

Name : Karvy Fintech Private Limited
Address : Karvy Selenium Tower B, Plot no. 31-32,
 Gachibowli, Financial District, Nanakramguda, Hyderabad, - 500 032.
Phone : 91-040-67162222
Fax : 91-040-23001153
Toll Free no. : 1800-345-4001
Email : shyam.kumar@karvy.com
Website : www.karvyfintech.com

i) **Share Transfer System**

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. Presently the share transfers received in physical form are processed and registered within prescribed time periods (15) days from the date of receipt subject to the documents being valid and complete in all respects. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulations 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the stock exchanges.

j) **Shareholding pattern as on 31st March, 2019**

Category	No. of Shares	%
Promoters	42959889	50.56
Clearing Members	35880	0.04
Indian Public	30353565	35.74
Domestic Companies	11203028	13.19
Nationalized Bank/ Insurance Company / NBFC	1500	0.00
NRI	315442	0.37
NRI NON-REPATRIATION	97396	0.10
Total	84966700	100.00

k) **Distribution of shareholding as on 31st March, 2019**

Shareholding (Rs)	No. of Shares	% to Total	No. of Members	% to Total
Up to 5000	18195	70.03	44811150	5.27
5001 - 10000	3853	14.83	34439730	4.05
10001 - 20000	1829	7.04	29780060	3.50
20001 - 30000	654	2.52	17291460	2.04
30001 - 40000	303	1.17	11145160	1.31
40001 - 50000	337	1.30	16089220	1.89
50001 - 100000	420	1.62	31896090	3.75
100001 & above	391	1.50	664214130	78.17
Total	25982	100	849667000	100

l) **Dematerialization of Shares and Liquidity**

On March 31st 2019, nearly 99.75% of the shareholders of Company were holding Company's shares in demat form. In the same way, Promoters & Promoters-group shareholding was also fully dematerialized.

k) **Plant Location:**

The Company's plant is located at:

Survey No. 245, Village Bharapar, Tal. Gandhidham, Dist. Kutch, Gujarat

l) **Registered & Administrative Offices:****Registered Office**

5/1, Shreeji House,
Behind M. J. Library, Ashram Road
Ahmedabad - 380006, Gujarat

Administrative Office:

SAL Steel Limited,
Sola-Kalol Road, Village Santej,
Dist: Gandhinagar, Gujarat - 382721

m) **Address for Investor Correspondence:**

In case any problem or query shareholders can contact at:

Name : Manish R. Daulani, Company Secretary cum Compliance officer

Address : S.A.L. Steel Limited, Shah Alloys Corporate House,
Sola-Kalol Road, Santej, Dist. Gandhinagar, Gujarat 382 721

Phone : 91-02764-661100/11

Fax : 91-02764-661110

Email : cs@salsteel.co.in

Shareholders may also contact Company's Registrar & Share Transfer Agent at:

Name : Karvy Fintech Private Limited.

Address : Karvy Selenium Tower B, Plot no. 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad-500032.
Phone : 91-040-67162222
Fax : 91-040-23001153
Toll Free no. : 1800-345-4001
Email id. : shyam.kumar@karvy.com
Website : www.bigshare.com

OTHER DISCLOSURES :

Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

There is no materially significant related party transaction that may have potential conflict with the interests of the Company at large have been entered.

During the financial year, all transactions entered into with the Related Parties as defined under Companies Act, 2013, were in the ordinary course of business and on an arm's length basis and did not attract provisions of Section 188 of Companies Act, 2013. However, prior approvals from the Audit Committee are obtained for transactions which are in ordinary course of business and repetitive in nature. Further, on quarterly basis, disclosures are made to the Audit Committee and to the Board.

Details of related party transactions are also presented in the notes to financial statements.

The Company has formulated the policy on materiality of related party transactions and on dealing with related party transactions and it is available at the website of the Company at: <http://www.salsteel.co.in>.

Details of non-compliance by the listed entity, penalties and structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

During the period under review, there is no non-compliance or penalty imposed by any authority.

Establishment of vigil mechanism and affirmation that no personnel has been denied access to the audit committee:

The Company has implemented a Vigil Mechanism Policy, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safe guards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the financial year none of the personnel has been denied access to the audit committee.

Corporate Governance Compliance Certificate

Compliance Certificate from M/s Kiran Kumar Patel, Practicing Company Secretaries, as regarding compliance of conditions of corporate governance is annexed with corporate governance report.

Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

CEO and CFO Certification

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, CFO has given Compliance Certificate on financial statements to the Board of Directors.

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

We, Anil Pandya, Whole Time Director & Babulal M. Singhal, Whole Time Director & CFO of the Company, hereby certify that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct in accordance with Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with Stock Exchange. Company has adopted a code of conduct for all Board members and senior management of the company which is posted on the website of the company.

We further confirm that during the year, none of the Directors or any of the Key managerial persons had done any trading in shares of the Company in the secondary market. Further the company had not made any allotment of shares to any Directors or any of the key managerial personnel during the year.

The above Report was adopted by the Board at their meeting held on 30th May 2019.

Place: Santej
Date: 30.05.2019

For, S.A.L. Steel Limited
Sd/-
Anil Pandya
Whole time Director
(DIN 02453919)

Sd/-
Babulal M. Singhal
Whole Time Director & CFO
(DIN 01484213)