

Date: 05.09.2021

To,
Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001

Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No C/1, G-Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400051

BSE Scrip Code: 532604

NSE Symbol – SALSTEEL

SUB: SUBMISSION OF ANNUAL REPORT 2020-21 INCLUDING NOTICE OF THE 18TH ANNUAL GENERAL MEETING OF THE COMPANY AS PER REGULATION 34(1) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year ended on 31st March, 2021 (2020-21) including Notice of the 18th Annual General Meeting (“18th AGM”). This will also be available on the website of the Company at www.salsteel.co.in.

You are requested to take the same on record and acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
FOR SAL STEEL LIMITED



MANISH DAULANI
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As stated above

The SAL logo is located in the top right corner of the cover. It consists of the letters 'SAL' in a bold, blue, sans-serif font. A green plus sign is positioned between the 'A' and the 'L'. The logo is set against a white square background.

SAL

The text 'ANNUAL REPORT 2020-21' is positioned on the left side of the cover, overlaid on a blue diagonal banner. The text is in a bold, white, sans-serif font, arranged in three lines.

**ANNUAL
REPORT
2020-21**

The text 'SAL STEEL LIMITED' is located at the bottom of the cover. It is in a large, bold, blue, sans-serif font. The background behind the text is white, with a green horizontal bar at the very bottom of the page.

SAL STEEL LIMITED

18TH ANNUAL REPORT 2020-2021

CIN: L29199GJ2003PLC043148

Board of Directors

Shri Rajendra V. Shah	Non Executive Chairman
Shri Sujal Shah	Whole Time Director
Shri Babulal M Singhal	Whole Time Director
Shri Ambalal C. Patel	Independent Director
Shri Tejpal S Shah	Independent Director
Shri Harshad M Shah	Independent Director
Shri Shrikant Jhaveri	Independent Director
Smt. Shefali M. Patel	Independent Director
Shri Jai Prakash Goyal (From: 11/09/2020)	Wholetime Director
Shri Anil Kumar Pandya (Till: 31/08/2020)	Wholetime Director

Chief Financial Officer

Shri Babulal M. Singhal

Company Secretary & Compliance Officer

Shri Manish R. Daulani

Audit Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Smt. Shefali M. Patel

Nomination and Remuneration Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Shri Harshad M. Shah

Stakeholders' Relationship Committee

Shri Shrikant N. Jhaveri, Chairman
Shri Ambalal C. Patel
Shri Harshad M. Shah

Corporate Social Responsibility Committee

Shri Ambalal C. Patel, Chairman
Shri Rajendra V. Shah
Shri Sujal A. Shah

Registered Office

5/1 Shreeji House,
B/h M.J. Library, Ashram Road,
Ahmedabad-380 006

Administrative Office

S.A.L. Steel Limited
Corporate House,
Sola-Kalol Road, Village Santej,
Dist.-Gandhinagar-382 721

Plant

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

Statutory Auditors

M/s. Parikh & Majmudar, Chartered Accountants,
303, "B" Wing, GCP Business Center,
Opp. Memnagar Fire Station, Nr. Vijay Cross Roads,
Ahmedabad - 380 009

Secretarial Auditors

Kamlesh M. Shah & Co.,
Company Secretaries
801-A, 8th Floor, Mahalaya Complex,
Opp. Hotel President, B/h. Fairdeal House,
Swastik Cross Roads, Off C. G. Road,
Navrangpura, Ahmedabad 380 009

Registrar and Share Transfer Agents

Kfin Technologies Pvt Ltd.
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
E-mail: einward.ris@karvy.com
Website: www.karvyfintech.com

Bankers to the Company

ICICI Bank Ltd.

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NOTICE

NOTICE is hereby given that 18th Annual General Meeting of the Members of S.A.L. STEEL LIMITED will be held on Tuesday, 28th day of September 2021 at 01:00 P.M. through Video Conferencing/Other Audio-Visual Means (VC/OAVM): -

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2021, Statement of Profit & Loss for year ended on that date and the Reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sujal A. Shah (DIN - 01431407), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass, with or without modification(s), following resolution as **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter as "SEBI(LODR)"], as amended from time to time, consent of the Members be and is hereby accorded for all material related party contracts or arrangements entered and to be entered into financial year 2021-22 between the Company and Shah Alloys Limited for sale of power and materials and purchase of material & services from Shah Alloys Ltd. at a prevailing market price in ordinary course of business.

RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for ratification of related party transactions between the Company and Shah Alloys Limited entered into during the period 2020-21.

RESOLVED FURTHER THAT the Board of Directors (the "Board") and/or any Committee constituted by the Board be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all acts, deeds, things as may be deemed necessary, proper and desirable."

4. To consider and if thought fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ashish Bhavsar & Associates, Cost Accountants appointed by the Board on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022 be paid the remuneration of ₹ 75,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit."

Date: 12th August, 2021

Place: Santej

By Order of the Board of Directors

Sd/-

Manish Daulani

Company Secretary & Compliance Officer

Registered Office:

5/1 Shreeji House, B/h M.J. Library,
Ashram Road, Ahmedabad-380 006
CIN: L29199GJ2003PLC043148

NOTES

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.salstee.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 25th September, 2021, at 10:00 A.M. and ends on 27th September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 21st September, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 21st September, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click

Type of shareholders	Login Method
	<p>on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <ol style="list-style-type: none"> If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
 2. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 4. Now, you will have to click on "Login" button.
 5. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to kshahcs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Sarita Mote at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share

certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@salsteel.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@salsteel.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@salsteel.co.in. The same will be replied by the company suitably.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER:

Item No. 3:

The Securities and Exchange Board of India, vide its Circular No. SEBI/LAD-NRO/GN/2015-16/013 dated 2nd September, 2015 (the "said circular"), introduced the regulations called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [herein after "SEBI (LODR)"]. As per regulation 23 (4) of the SEBI (LODR), all material related party transactions shall require approval of the shareholders through resolution in the General Meeting. The related party transactions set out below are all contractual obligations entered / to be entered into by the Company in its ordinary course of business and are arms' length transactions for financial year 2020-21:

For financial year 2021-22

Name of the related party	Shah Alloys Limited	
Relation with the Company	Promoter Company	
Purpose of related party transaction	Sale of Power & Material	Purchase of Material & Service
Amount Approx. (₹in Cr.)	300.00	100.00

As approved by the members in the Annual General Meeting held on 23.12.2020, Company entered into related party transactions for the financial year 2020-21 as below:

Name of the related party	Shah Alloys Limited	
Relation with the Company	Promoter Company	
Transaction	Purchase of Power & Material	Purchase of Material & Services
Limits approved by members for 2019-20 (Rs. in Crores)	300	100
Total transaction during 2020-21 (Rs. in Crores)	150.86	3.50

Purpose of the aforementioned material related party transactions

Company was promoted by Shah Alloys Limited in 2003 and is having 35.61% equity holding in the Company. The Project is backward integration project since finished product of the Company is raw material for the Shah Alloys Limited. Further, Company has installed group captive power plant 40 MW. Excess power is wheeled to Shah Alloys Limited for its power requirement. On account of above, Shah Alloys is purchasing finished product of Company and also power generated by group captive power plant. Company purchases various materials from Shah Alloys Limited for maintenance of its plant and other purposes. Transactions made with Shah Alloys Limited are at Arms' length basis. The information is given pursuant to the provisions of Regulation 23 of SEBI (LODR) Regulations 2015 since the value of transactions with SAL Steel Ltd. exceeds 10% of the total turnover of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution except Shri Rajendra V. Shah.

Item No.4:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2022 at the remuneration of ₹ 75,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 04 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution. The Board commends the Ordinary Resolution set out at Item No. 06 of the Notice for approval by the shareholders.

Date: 12th August, 2021

Place: Santej

By Order of the Board of Directors

Sd/-

Manish Daulani

Company Secretary & Compliance Officer

Registered Office:

5/1 Shreeji House, B/h M.J. Library, Ashram Road, Ahmedabad-380 006

CIN: L29199GJ2003PLC043148

**Details of the directors seeking re-appointment in the
18th Annual General Meeting of the Company**

[Pursuant to regulation 36 (3) of the SEBI (LODR) Regulations, 2015]

Name of Director	Sujal A. Shah
DIN	01484213
Date of Birth	30.12.1966
Date of Appointment	19.06.2006
Relationship with other Directors Inter se	None
Profile & Expertise in Specific functional Areas	More than 29 Years of rich experience in the areas of Purchase and Administration
Qualification	B. Sc. (Physics)
No. of Equity Shares held in the Company	45000
List of other Companies in which Directorships are held	NIL
List of committees of Board of Directors (across all the Companies) in which Chairmanship/ Membership is held	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors pleased to present the 18th Annual Report of your company on the operations and performance along with the Audited Financial Statements for the year ended on 31st March 2021.

FINANCIAL HIGHLIGHTS

₹ in Crores

Particulars	March 31, 2021	March 31, 2020
Total Revenues	322.87	452.14
Total Expenditure	301.43	417.56
Profit before interest depreciation, extraordinary item and tax	21.44	24.58
Depreciation and Interest	9.02	7.52
Profit / (Loss) before exceptional, extraordinary item and tax	12.42	17.06
Exceptional & Extraordinary item	-	-
Profit / (Loss) before tax	12.42	17.06
Tax Expense / Deferred tax	0.87	1.19
Net Profit / (Loss) for the year	11.55	15.87
Total Comprehensive income	0.06	(0.06)
Profit / (Loss) Brought forward from last year	(107.25)	(123.06)
Balance Carried forward	(95.64)	(107.25)

STATE OF COMPANY'S AFFAIRS / PERFORMANCE OVERVIEW

During the year under review Total Revenue from operation has been decreased from `452.14 Crores' to `322.87 Crores' as compared to previous year's turnover. Company has registered a net Profit of '11.55 Crores' in comparison to net profit of `15.87 Crores' during previous year.

DIVIDEND

As the Company has other pipelined projects for growth Directors have not recommended dividend for the financial year 2020-21.

BUSINESS ACTIVITY

The company is engaged in manufacture of sponge iron, ferro alloys and power. Company is generating power on account of waste heat recovery system resulting economic price. Company is having its power plant of 40 MW. Power generated is used for captive consumption. There has been no change in the nature of business of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary/ joint venture / associate. The Company is an Associate Company of M/s Shah Alloys Limited as it is holding more than 20% of the Equity Share Capital in the Company as a Promoter Company.

DEPOSIT

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

DETAILS OF LOANS, GUARANTEES AND INVESTMENTS U/S 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

REGULATORY STATEMENT

In conformity with provision of regulation 34(2)(c) & 53(b) of SEBI (LODR), Regulations 2015, the Cash Flow Statement for the year ended 31.03.2021 is annexed hereto. The equity shares of the Company are listed on the BSE Ltd. and the National Stock Exchange of India Ltd. (NSE).

The Company has paid listing fees for the year 2021-22 to above stock exchanges.

DETAILS OF DIRECTORS OR KMP's APPOINTMENT OR RESIGNATION

During the year under review Mr. Anil Kumar Pandya Wholetime Director of the Company has resigned on 31st August, 2020 and Mr. Jai Prakash Goyal was appointed as Wholetime Director of the Company from 11th September, 2020 and there were no other changes that took place in the position of Directors or KMPs Appointment or Resignation.

MEETINGS OF THE BOARD

During the year under review, total four meetings of Board of Directors were held on the following dates 30/07/2020, 11/09/2020, 07/11/2020, 10/02/2021. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the relaxation and extension granted by the SEBI and Ministry of Corporate Affairs due to the prevailing COVID-19 pandemic situation worldwide.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she met with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Company follows diverse Board structure.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this report.

CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2021, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite Certificate from the Practicing Company Secretary of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and foreign Exchange earnings / outgo are separately provided in the annexure to this report as **Annexure - 1**.

RISK MANAGEMENT POLICY

The Company had put in place an enterprise wide risk management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company identifies, assesses and mitigates risks that could materially impact its performance in achieving the stated objectives. The Audit committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. The Committee reviews strategic decisions of the Company and on regular basis, reviews the Company's portfolio of risks and considers it against the Company's Risk Appetite. The Committee also recommends changes to the Risk Management Technique and / or associated frameworks, processes and practices of the Company.

VIGIL MECHANISM POLICY

The Company had implemented a vigil mechanism, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance of code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides a direct access to the Chairman of the Audit Committee. During the year under review none of the personnel has been denied access to the Chairman of Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

Company has earned Net Profit in the year under review and the Company is in process of Complying with the Provisions related to expenditure of at least two percent of the average net profits in CSR activities if applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

In Compliance with Section 134(5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and hereby confirm the following:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2021, as far as possible and to the extent, if any, accounting standards mentioned by the auditors in their report as not complied with, all other applicable accounting standards have been followed along with proper explanation relating to material departure;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and
- e) The directors in the case of a listed company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 is available on the Company's website at www.salsteel.co.in

DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

There were no complaints pending for the Redressal at the beginning of the year and no complaints received during the financial year.

PARTICULARS OF THE EMPLOYEES

Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this report as **Annexure- 2**. Further, particulars of employees remuneration, as prescribed under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not attached with this report since there was no employee who was in receipt of excess remuneration as prescribed.

DETAILS OF RELATED PARTIES TRANSACTIONS PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013

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 as such did not attract provisions of Section 188 (1) of Companies Act, 2013. The Company has formulated policy on related party transactions. Particular of related party transactions in prescribed Form AOC-2 is attached at **Annexure-3**. Approvals from the Audit Committee are obtained even 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 given in the notes to financial statements.

IND AS

Your company has adopted IND AS w.e.f. 1st April 2017 pursuant to Notification of the Ministry of Corporate Affairs dated 16th February 2015 in place of Accounting Standards.

AUDITORS AND AUDIT REPORTS**a. Cost Auditors**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made there under M/s. Ashish Bhavsar & Associates, Cost Accountants were appointed for auditing cost accounting records of the Company for the year ending 31st March, 2021. Board has further appointed M/s. Ashish Bhavsar & Associates, Cost Accountants as Cost Auditors for the year

ending 31st March 2022 subject to approval of remuneration in the forthcoming Annual General Meeting.

b. Internal Auditor

The Company has appointed an Independent firm of Chartered Accountants to act as an Internal Auditor as per suggestion of auditors and recommendation of the Audit Committee in order to strengthen the internal control system for the Company.

c. Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed M/s Kamlesh Shah & Co., Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2021-22. The report submitted by the Secretarial Auditor in Form MR-3 for the financial year ended as on 31st March, 2021 is attached to this report as **Annexure-4**. Remarks of secretarial auditor are self-explanatory.

d. Statutory Auditors

There are no Qualifications, reservations or adverse remarks contain in the Auditor's Report for the year under review.

MATERIAL CHANGES / INFORMATION:

1. No material changes have taken place after the closure of the financial year up to the date of this report which may have substantial effect on the business and financial of the Company.
2. No significant and material orders have been passed by any of the regulators or courts or tribunals impacting the going concern status and companies operations in future.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 in compliance with Section 92 of the Companies Act 2013 read with applicable rules made thereunder is annexed to this report at **Annexure - 5**.

APPRECIATION

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions, Banks and ARCs during the year. Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12th August, 2021
Place: Santej

ANNEXURE 1

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2021)

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:-

Your company gives priority to Energy conservation. It regularly reviews measures to be taken for Energy Conservation/Consumption and its effective utilization.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

Your Company is highly power intensive industry and power is the basic requirements of manufacturing process. In order to reduce the cost per unit for power consumption, the Company has installed 40 MW Captive Power Plant.

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The company is operating 40 MW Captive Power Plant in parallel with GETCO Grid and with the consumption of own power, Company saves substantial amount from the same.

(d) Total energy consumption and energy consumption per unit of production:

(₹ in Lacs)

I. POWER & FUEL CONSUMPTION		2020-21	2019-20
1	ELECTRICITY		
	(a) Purchased		
	Unit (Kwh)	9101924	38649990
	Total Amount (Rs.)	579.64	1587.94
	Rate / Unit (Rs)	6.37	4.10
	(b) Own Generation		
	(i) Through Diesel Generator Unit (Kwh)		
	Unit Per Ltr of Diesel Oil	Nil	Nil
	Cost / Unit (Rs)	Nil	Nil
	(ii) Through Steam Turbine / Generator Unit (Kwh)	120152000	104132932
	Unit Per Kg of Lignite		
	Cost Lignite / Unit (Rs)	3.46	3.33
	Cost Coal / Unit (Rs)	--	--
	Cost Coal & Lignite / Unit (Rs)	3.46	3.33
2	COAL (Including Coal Fines)		
	Quantity (MT)	150182	114857
	Total Cost (Rs)	4158.32	3469.43
	Average Rate (Rs)	2769	3020
3	FURNACE OIL		
	(used in the generation of power)		
	Quantity (K Ltr)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
4	OTHERS - LIGNITE		
	(used in the generation of steam)		
	Quantity (K Tonns)	Nil	Nil
	Total Cost (Rs)	Nil	Nil
	Average Rate (Rs)	Nil	Nil
II.	CONSUMTION PER M.T. OF PRODUCTION		
	Particulars of Product		
	Electricity (in Unit)	Nil	Nil
	Furnace Oil	Nil	Nil
	Coal (Specify quantity)	Nil	Nil
	Others	Nil	Nil

B. TECHNOLOGY ABSORPTION**(I) Research and Development (R & D)**

Particulars	2020-21	2019-20
1. Specific areas in which R&D carried out by the company.	Nil	Nil
2. Benefits derived as a result of the above R&D	Nil	Nil
3. Future plan of action:	Nil	Nil
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total	Nil	Nil
d. Total R&D expenditure as a percentage of total turnover	Nil	Nil

(II) Technology absorption, adaptation:

Particulars	2020-21	2019-20
Company has not carried out research, development & innovation activities.		
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil	Nil
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil	Nil
a. Technology imported		
b. Year of import		
c. Has technology has been fully absorbed		
d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.		

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lacs)

Particulars	2020-21	2019-20
1) EARNINGS & OUTGO		
a. Foreign Exchange earnings	158.38	2422.04
b. Foreign Exchange outgo	420.38	3206.82
2) TOTAL FOREIGN EXCHANGE USED AND EARNED		
As per notes on account		

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12th August, 2021
Place: Santej

ANNEXURE 2 TO THE BOARD'S REPORT

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial

Sr. no.	Name of director / KMP	Designation	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2020-21	* % increase / (decrease) in remuneration in the FY 2020-21
a)	Shri Sujal Shah	Whole Time Director	2.15:1	-
b)	Shri Babulal Singhal	Whole Time Director cum CFO	2.50:1	-
c)	Shri Anil Pandya	Director	0.99:1	-
d)	Shri Jai Prakash Goyal	Whole Time Director	7.55:1	-
e)	Shri Manish Daulani	Company Secretary	2.51:1	-

II.	The percentage increase in the median remuneration of employees in the financial year:	10.5%
III.	The number of permanent employees on the rolls of company:	441
IV.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration;	During the year under review, the average annual increase was negligible.
V.	Affirmation that the remuneration is as per the remuneration policy of the Company.	All remuneration of the Employees and directors are paid as per remuneration policy of the Company.

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12th August, 2021
Place: Santej

ANNEXURE 3

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014
Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.								
	Name (s) of the related party	Nature of transaction	Duration of the transaction	Salient terms of the transaction	Justification for transactions'	Date of approval by the Board	Amount paid as advances	Date of special resolution
	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis							
	Name (s) of the related party	Nature of relationship	Nature of transaction	Duration of the transaction	Transactions value in ₹	Date of approval by the Board	Amount paid as advances
1.	Shah Alloys Limited	Promoter company	Sale of Power	April 2020-March 2021	27,21,54,109	Since these RPTs are in the ordinary course of business and are at arms' length basis, approval of the Board is not required. However, these are reported to the Audit Committee / Board at their quarterly meetings.	N.A.
			Purchase of material & Services		123,52,87,967		
			Sale of material & Services		3,49,20,484		

For and on behalf of the Board
Sd/-

Rajendra V. Shah
Chairman
(DIN: 00020904)

Date: 12th August, 2021
Place: Santej

ANNEXURE 4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014]

To,
The Members,
S A L STEEL LIMITED
CIN: L29199GJ2003PLC043148

I/we have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S A L STEEL LIMITED** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the records of **S A L STEEL LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering **the financial year ended on 31st March 2021** complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliances mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and record maintained by **S A L STEEL LIMITED (CIN: L29199GJ2003PLC043148)** for the financial year ended on **March 31, 2021** according to the provisions of:

- (i) The Companies Act, 2013(the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:(**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
- (v) The following Regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
 - f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE FOR THE YEAR**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**NOT APPLICABLE FOR THE YEAR UNDER REVIEW**)
- (vi) As stated in the **Annexure – A** – all the laws, rules, regulations are applicable specifically to the company.
- (vii) No other major corporate events occurred during the year and various compliances made by the Company with applicable Laws, Rules, Regulations, Listing Regulations etc. **except the fact that the Business operations were suffered/ closed due to Nation Wide Lock Down declared by the Central Government/ State Government.**

The Compliances and filings of the returns were filed as per the relaxations and extensions provided by various circulars by MCA and SEBI. The Company is in process of Filing of Pending E-Form DPT-3 for the year 2018-19, 2019-20, 2020-21, further Form MGT-14 and Dir-12 for Appointment Mr. Jai Parakash Goyal as Whole Time Director (Change of Status) which are delayed due as the Company Secretary and other employees being affected by COVID-19 Pandemic.

As per representations by the Management, the Company is in process of and is yet to spend the CSR amount as per the provisions of Corporate Social Responsibility.

The company had also filed on belated basis the compliance documents under Regulation 31 and 13(3) of SEBI (LODR) 2015 to BSE and NSE for which stock Exchanges had earlier imposed penalty. However upon making representation to the stock exchange that such delay had occurred as the Company Secretary of the Company was COVID-19 positive & the said penalty was waived off by the stock exchanges.

I/We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India and applicable w.e.f July 01, 2015 or any amendment, substitution, if any, are adopted by the Company and are complied with.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. **subject to our observations mentioned hereinabove in this report.**

I further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non -executives directors, independent directors and woman director. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the act and with intimation to stock exchanges(s).

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance or with consent of directors at a shorter notice, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I Further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, **except the nationwide closure/ lock down declared by the Central/ State Government of all the business establishments**, there were no instances within the company that can have a bearing on the company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guideline, standards, etc.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES
Sd/-
(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2072

Place: Ahmedabad
Date: August 12, 2021

ANNEXURE-A

Securities Laws

1. All Price Sensitive Information were informed to the stock exchanges form time to time
2. All investors complain directly received by the RTA& Company is recorded on the same date of receipts and all are resolved within reasonable time.

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/ Bonded labour in any of its establishments.
3. Provisions with relate to compliances of PF/ESI/Gratuity Act are applicable to Company and Complied with.

Environmental Laws

As the company is engaged in the manufacturing activities, the environmental laws as are applicable to it and it has properly complied with such provisions to the extent applicable.

Taxation Laws

The company follows all the provisions of the taxation and Income Tax Act, 1961 and filing the returns at proper time with Income tax department and all other necessary departments.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES
Sd/-
(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2072

Place: Ahmedabad
Date: August 12, 2021

ANNEXURE-B

To
The Members,
SAL Steel Limited
CIN: L27100GJ1990PLC014698
SAL CORPORATE HOUSE,
5/1 SHREEJI HOUSE 5TH FLOOR
B/H M J LIBRARY ASHRAM ROAD
AHMEDABAD 380006 GUJARAT INDIA

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
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.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have relied on Management Representation Letter provided by the Company before issuing this Report to the Company.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES
Sd/-
(Kamlesh M. Shah)
PROPRIETOR
ACS: 8356, COP: 2

Place: Ahmedabad
Date: August 12, 2021

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
SAL STEEL LIMITED,
Ahmedabad-06, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SAL STEEL LIMITED bearing CIN: L29199GJ2003PLC043148 and having its registered office at 5/1 Shreeji House 5th Floor b/H M J Library Ashram Road Ahmedabad 380006, Gujarat, India (hereinafter referred to 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. **All the Independent Directors are Registered at www.independentdirectorsdatabank.in Portal.**

Sr. No.	Name of Director	DIN	Disqualified Under Section 164 of Companies Act,2013	Deactivation of DIN Due to Non-Filing of DIR-3 KYC
1	Babulal Madanlal Singhal	01484213	N.A.	N.A.
2	Sujalkumar Ashokkumar Shah	01431407	N.A.	N.A.
3	Rajendrakumar Shah	00020904	N.A.	N.A.
4	Ambalal Chhitabhai Patel	00037870	N.A.	N.A.
5	Tejal Somchand Shah	01195357	N.A.	N.A.
6	Harshad Mafatlal Shah	01309096	N.A.	N.A.
7	Shrikant Narottamdas Jhaveri	02833725	N.A.	N.A.
8	Shefali Manojbhai Patel	07235872	N.A.	N.A.
9	Jai Prakash Goyal	08874805	N.A.	N.A.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

FOR KAMLESH M. SHAH & CO.,
PRACTICING COMPANY SECRETARIES

Sd/-

(Kamlesh M. Shah)

PROPRIETOR

ACS: 8356, COP: 2072

UDIN: A008356C000569653

Place: Ahmedabad

Date: July 02, 2021

ANNEXURE 5

Form No. MGT-9 Extract of Annual Return as on 31.03.2021

[Pursuant to section 92(3) of the Companies Act, 2013 and
rule 12(1) of the Companies (Management and Administration) Rules, 2014]

1) REGISTRATION AND OTHER DETAILS:

1)	CIN :-	L29199GJ2003PLC043148
2)	Registration date:	06/11/2003
3)	Name of the company :	S A L STEEL LIMITED
4)	Category/ sub-category of the company:	Company limited by shares/ Indian Non-Government Company
5)	Address of the registered office and contact details:	5/1 Shreeji House, 5TH Floor B/h M J Library Ashram Road, Ahmedabad-380006 Gujarat
6)	Whether listed company:	YES
7)	Name, address and contact details of registrar and Transfer Agent, if any	KFIN TECHNOLOGIES PVT LTD. 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 · E-mail: shyam.kumar@karvy.com Website:www.karvyfintech.com

2) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and descriptions of main products/ services	NIC Code of the product/ Service	% to Total turnover of the company
1.	Sponge Iron & Ferro Chrome	171	89.1%

3) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN / GLN	Concern	% of shares held	Applicable Section
NA					

3) Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) a) Indian/Individual/HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt. (s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (1):-	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	42959889	NIL	42959889	50.56	42959889	NIL	42959889	50.56	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corp.	10351922	NIL	11852396	12.18	9089247	NIL	9089247	10.70	-1.49
i) Indian									
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	17757563	49382	17806945	20.96	17984062	49382	18033444	21.22	0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	13249424	161700	13411124	15.78	14130682	161700	14292382	16.82	1.04
c) Others (TRUSTS, NON RESIDENT, NBFC & CLEARING MEMBERS & NBFC)	436820	NIL	436820	0.51	591738	NIL	591738	0.70	0.18
Sub-total (B)(2):-	41795729	211082	42006811	49.44	41795729	211082	42006811	49.44	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	41795729	211082	42006811	49.44	41795729	211082	42006811	49.44	NIL
C. shares held by custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
GRAND TOTAL (A+B+C)	84755618	211082	84966700	100.00	84755618	211082	84966700	100.00	NIL

II) SHAREHOLDING OF PROMOTERS

Name of promoter	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shares holding during the year
	No. of share	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of share	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Shah Alloys Ltd.	30256989	35.61	30256989	30256989	35.61	30256989	NIL
Sal Care Pvt. Ltd.	11702900	14.95	11702900	11702900	14.95	11702900	NIL
Total	42959889	50.56	42959889	42959889	50.56	50.56	NIL

III) CHANGE IN PROMOTER'S SHAREHOLDING

SHAH ALLOYS LTD	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	30256989	35.61	30256989	35.61
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	30256989	35.61	30256989	35.61

SAL CARE PVT LTD	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	11702900	14.95	11702900	14.95
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	11702900	14.95	11702900	14.95

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

NAME OF SHAREHOLDERS	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
SATELLITE MERCANTILES	3544498	4.17	31/03/2020			3544498	4.17
PVT LTD.			19/03/2021	-3544498	Transfer	0	0.00
			31/03/2021			0	0.00
GOURIPUTRA	0	0.00	31/03/2020			0	0.00
CONSULTANTS PVT LTD			19/03/2021	84361	Transfer	84361	0.10
			26/03/2021	3353716	Transfer	3438077	4.05
			31/03/2021	-242817	Transfer	3195260	3.76
			31/03/2021			3195260	3.76
GUJARAT NRE COKE LTD.			2737682	3.22	31/03/2020		
			2737682	3.22			
			31/03/2021			2737682	3.22

NAME OF SHAREHOLDERS	Shareholding at the beginning of the year		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
GUJARAT NRE MINERAL RESOURCES LIMITED	1445633	1.70	31/03/2020			1445633	1.70
JM FINANCIAL SERVICES LIMITED	1276372	1.50	31/03/2020			1276372	1.50
			01/05/2020	-5000	Transfer	1271372	1.50
			26/06/2020	-9260	Transfer	1262112	1.49
			30/06/2020	-150000	Transfer	1112112	1.31
			03/07/2020	-143215	Transfer	968897	1.14
			10/07/2020	-82183	Transfer	886714	1.04
			17/07/2020	-256757	Transfer	629957	0.74
			24/07/2020	-65991	Transfer	563966	0.66
			04/09/2020	-563966	Transfer	0	0.00
			31/03/2021			0	0.00
ATRUN FISCAL PVT LTD	0	0.00	31/03/2020			0	0.00
			04/09/2020	563966	Transfer	563966	0.66
			31/03/2021			563966	0.66
MAHENDRA GIRDHARILAL	411640	0.48	31/03/2020			411640	0.48
			31/03/2021			411640	0.48
ASHVIN V SHAH	377000	0.44	31/03/2020			377000	0.44
			18/09/2020	120827	Transfer	497827	0.59
			31/03/2021			497827	0.59
SIMRAN ASHVIN SHAH	71040	0.08	31/03/2020			71040	0.08
			17/07/2020	11949	Transfer	82989	0.10
			24/07/2020	23318	Transfer	106307	0.13
			31/07/2020	16298	Transfer	122605	0.14
			07/08/2020	-115890	Transfer	6715	0.01
			14/08/2020	500	Transfer	7215	0.01
			04/09/2020	127605	Transfer	134820	0.16
			11/09/2020	24657	Transfer	159477	0.19
			16/10/2020	5000	Transfer	164477	0.19
			11/12/2020	20000	Transfer	184477	0.22
			18/12/2020	1000	Transfer	185477	0.22
			25/12/2020	20426	Transfer	205903	0.24
			31/12/2020	20214	Transfer	226117	0.27
			01/01/2021	5000	Transfer	231117	0.27
			08/01/2021	16746	Transfer	247863	0.29
			05/03/2021	20986	Transfer	268849	0.32
			12/03/2021	34876	Transfer	303725	0.36
			19/03/2021	27545	Transfer	331270	0.39
			26/03/2021	37877	Transfer	369147	0.43
			31/03/2021			369147	0.43
PINAL PRAVIN SHAH	0	0.00	31/03/2020			0	0.00
			11/12/2020	1000	Transfer	1000	0.00
			25/12/2020	50184	Transfer	51184	0.06
			31/12/2020	36876	Transfer	88060	0.10

NAME OF SHAREHOLDERS	Shareholding at the beginning of the year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
			01/01/2021	61633	Transfer	149693	0.18
			08/01/2021	-14490	Transfer	135203	0.16
			15/01/2021	131476	Transfer	266679	0.31
			22/01/2021	48871	Transfer	315550	0.37
			29/01/2021	20870	Transfer	336420	0.40
			05/02/2021	1188	Transfer	337608	0.40
			31/03/2021			337608	0.40
LAKSHMI M	325000	0.38	31/03/2020			325000	0.38
			31/03/2021			325000	0.38
SHAH MONAL	305168	0.36	31/03/2020			305168	0.36
JAYESHKUMAR			31/03/2021			305168	0.36
SHAH JAYESHKUMAR	304936	0.36	31/03/2020			304936	0.36
VIJAYKUMAR			31/03/2021			304936	0.36
JAYESH V SHAH	278412	0.33	31/03/2020			278412	0.33
			31/03/2021			278412	0.33

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Shri Ambalal C Patel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
At the beginning of the year	89000	0.10	89000	0.10
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :	No change	No change	No change	No change
At the end of the year	89000	0.10	89000	0.10

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1600738000	-	-	1600738000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1600738000	-	-	1600738000
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	144412000	-	-	144412000
Net Change	144412000	-	-	144412000
Indebtedness at the end of the financial year				
i) Principal Amount	1456326000	-	-	1456326000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1456326000	-	-	1456326000

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Salary	Shri Sujal Shah	3,96,000
		Shri B.M Singhal (WTD & CFO)	4,60,462
		Shri Anil Pandya	1,82,508
		Shri Jai Prakash Goyal	14,26,667
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission		
	- as % of profit	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	As per Section (II) Part (II) of Schedule V.	

b. Remuneration to other Directors

Particulars of remuneration	Name of Directors					Total Amount
	Shri A.C. Patel	Shri Tejpal S. Shah	Shri Harshad M. Shah	Shri Shrikant N Jhaveri	Smt. Shefali M. Patel	
Independent Directors						
Fee for attending board / committee meetings	60,000	30,000	30,000	80,000	80,000	2,80,000
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify						
Total	60,000	30,000	30,000	80,000	80,000	2,80,000
Overall Ceiling as per the Act	Ceiling for sitting fee as per Section 197 (5) read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is Rs. 1,00,000/- per meeting of Board/Committee					

c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		From (Date) To (Date)	CFO/CEO	Total
		Shri Manish Daulani	Shri Babulal Singhal	
1	Gross salary	4,62,718	4,60,462	9,23,180
2	Stock Option	N.A.	N.A.	N.A.
3	Sweat Equity	N.A.	N.A.	N.A.
4	Commission	N.A.	N.A.	N.A.
	- as % of profit	N.A.	N.A.	N.A.
	others, specify...	N.A.	N.A.	N.A.
5	Others, please specify	N.A.	N.A.	N.A.
	Total	4,62,718	4,60,462	9,23,180

d. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / Court]	Appeal made, if any (give details)
A. COMPANY					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
B. DIRECTORS					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No
C. Other Officers In Default					
Penalty	No	No	No	No	No
Punishment	No	No	No	No	No
Compounding	No	No	No	No	No

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 2020, 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, 2021 and numbers of meetings held and attended

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	Yes
Shri Jai Prakash Goyal (Appointment: 11.09.2020)	Non Promoter Whole time Director	4	2	1	Nil	Nil	Yes
INDEPENDENT DIRECTORS							
Shri Ambalal C. Patel	Non - Executive & Independent	4	4	6	6	1	Yes
Shri Harshad M. Shah	Non-Executive & Independent	4	3	2	2	Nil	No
Shri Tejpal S. Shah	Non-Executive & Independent	4	3	2	0	Nil	No
Shri Shrikant N. Jhaveri	Non-Executive & Independent	4	4	2	1	5	Yes
Smt. Shefali M. Patel	Non-Executive & Independent	4	4	2	4	Nil	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

In view of the worldwide effects of the global pandemic due to Novel Corona Virus and the nationwide lockdowns imposed by the Government of India to contain the spread of the virus the Ministry of Corporate Affairs (MCA), SEBI and other regulatory authorities granted some relaxations to the Companies from compliances of certain provisions of the Companies Act, 2013. Accordingly, MCA vide their circular no. 11/2020 dated 24.03.2020 granted exemption/relaxation

form holding the Independent Directors' Meeting for the financial year 2019-20. Hence, the Company did not hold the Independent Directors' Meeting but the Independent Directors informally discussed the performance of the Non-Independent Directors, Chairman and the Management.

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 2020, 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, 2021 all Members of Audit Committee are Independent Directors. During the period under review, four Audit Committee meetings were held respectively on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

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	3
Smt. Shefali Patel		13/02/2019	Member	4	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE:

The Remuneration Committee comprises of three independent Non-executive directors as on 31st March, 2021, further all Members of Nomination and Remuneration Committee are Independent Directors.

During the period under review, four meetings of Nomination and Remuneration Committee were held on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

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

5. 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, 2021 are as under:

Name of Director	Sitting Fees (₹)	Salaries & Perquisites (₹)	Commission (₹)	Total (₹)
Shri Rajendra Shah	Nil	Nil	Nil	Nil
Shri Sujal Shah	Nil	396000	Nil	396000
Shri Babulal Singhal	Nil	460462	Nil	460462
Shri Anilkumar Pandya*	Nil	182508	Nil	182508
Shri Ambalal Patel	60000	Nil	Nil	60000
Shri Tejpal Shah	30000	Nil	Nil	30000
Shri Harshad Shah	30000	Nil	Nil	30000
Shri Jai Prakash Goyal*	Nil	Nil	Nil	Nil
Shri Shrikant Jhaveri	80000	Nil	Nil	80000
Smt. Shefali Patel	80000	Nil	Nil	80000

* Shri Anil Pandya till 31/08/2020 & Shri Jay Prakash Goyal from 11/09/2020.

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, 2021 all Members of Stakeholder's Grievance Committee are Independent Directors. During the period under review, four meetings of Stakeholders' grievance Committee were held on 30.07.2020, 11.09.2020, 07.11.2020 and 10.02.2021.

Name of Director	Date of Cessation	Date of Appointment	Designation	No. of Meetings	Meetings attended
Shri Shrikant N. Jhaveri	--	13/02/2019	Chairman	4	4
Shri Ambalal C. Patel	--	28/05/2019	Member	4	3
Smt. Harshad M. Shah	--	28/05/2019	Member	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, 2021 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

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

Year	Date	Time	Venue	No. of special resolutions passed
2017-18	September 29th, 2018	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	01
2018-19	September 25th, 2019.	10:00 A.M.	SAL Institute & Engineering Research, Opp. Science City, Ahmedabad 380 060	04
2019-20	December 23rd, 2020	10:00 A.M.	Block No. 2221-2222, Shah Industrial Estate Sola - Kalol Road, Ta: Kalol, Dist. Gandhinagar Santej 382043 GJ Opp. Science City, Ahmedabad 380 060 Mode:Video Conferencing/Other Audio Visual Means (VC/OAVM)	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.

8. 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.

9. 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 : 28th September, 2021
Time : 01:00 PM
Mode : Video Conferencing.

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 2021-22 will be taken on record by the Board of Directors as per the following schedule:

Quarter ending 30th June 2021 : By 14th August 2021
 Quarter ending 30th September 2021: By 14th November 2021
 Quarter ending 31st December 2021 : By 14th February 2022
 Quarter ending 31st March 2022 : By 30th May 2022

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' 20	2.45	1.60	2.65	1.70
May' 20	2.57	2.14	2.75	1.85
June' 20	4.05	1.95	3.90	1.95
July' 20	4.36	2.66	4.45	2.65
Aug' 20	4.12	2.53	3.90	2.55
Sept' 20	3.63	2.70	3.85	2.65
Oct' 20	3.00	2.40	3.00	2.30
Nov' 20	3.23	2.42	3.20	2.40
Dec' 20	4.35	2.84	4.35	2.85
Jan' 21	5.30	3.44	5.30	3.50
Feb' 21	4.45	3.28	4.45	3.20
Mar' 21	3.97	3.05	3.95	3.00

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 : Kfin Technologies 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, 2021**

Category	No. of Shares	%
Promoters	42959889	50.56
Clearing Members	307766	0.36
Indian Public	30300244	35.66
Domestic Companies	9089247	10.70
NRI	194841	0.23
NRI NON-REPATRIATION	89131	0.10
Total	84966700	100.00

k) **Distribution of shareholding as on 31st March, 2021**

Shareholding (Rs)	No. of Shares	% to Total	No. of Members	% to Total
Up to 5000	17901	70.02	42429680.00	4.99
5001 - 10000	3685	14.41	32793330.00	3.86
10001 - 20000	1817	7.11	29426070.00	3.46
20001 - 30000	674	2.64	17789150.00	2.09
30001 - 40000	318	1.24	11676680.00	1.37
40001 - 50000	324	1.27	15479970.00	1.82
50001 - 100000	435	1.70	33535680.00	3.95
100001 & above	413	1.62	666536440.00	78.45
Total	25567	100	849667000	100

l) **Dematerialization of Shares and Liquidity**

On March 31st 2021, 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

Administrative Office:
SAL Steel Limited,
Corporate House,

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 : Kfin Technologies 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.

Key Board qualifications, expertise and attributes

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board along with the name of Directors who possesses such Skill/ experience/ competencies:

Skill/ experience/ competencies	Name of the Directors								
	Sh. Rajendra V. Shah	Sh. Sujal Shah	Sh. Anil Pandya (till 31/08/2020)	Sh. J. P. Goyal (from 11/09/2020)	Sh. Tejpal Shah	Sh. Harshad M. Shah	Smt. Shefali M. Patel	Sh. Shrikant Jhaveri	Sh. Rajendra V. Shah
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
General Management and Business Operations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Senior Management Expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓
Industry Expertise	✓	✓	✓	✓	✓	✓	✓	✓	✓
Public Policy/ Governmental Regulations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Accounting/Finance/ Legal Skills	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business Development /Sales/ Marketing	✓	✓	✓	✓	✓	✓	✓	✓	✓
International Business	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy/ M&A/ Restructuring/ Forging Joint Ventures/ Partnerships and Turning around Organisations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technical / Professional skills and specialized knowledge in relation to Company's business	✓	✓	✓	✓	✓	✓	✓	✓	✓

PAYMENT OF FEES TO STATUTORY AUDITOR OF THE COMPANY.

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are provided in Note no. 28 of the Standalone Financial Statements forming part of this

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, Jai Prakash Goyal Whole Time Director, DIN 08874805 & Babulal M. Singhal, Whole Time Director & CFO, DIN 01484213 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 12th August 2021.

For, S.A.L. Steel Limited

Sd/-

Jai Prakash Goyal
Whole time Director
(DIN 08874805)

Sd/-

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

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

S.A.L. STEEL LIMITED

We have examined the compliance of conditions of Corporate Governance by S.A.L Steel Limited ('the Company'), for the year ended 31st March, 2021 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in the Listing Regulations for the period 1st April, 2020 to 31st March, 2021.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable subject to our below observation:

Further, penalty was levied on the company by both the stock exchanges on account of delayed filings under Regulation 31 and 13 (3) of SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2021. Such delayed filing were due to the fact that the Company Secretary of the Company was detected with Covid- 19 and a representation was made to this effect to both BSE and NSE, and no penalty was paid by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For, K. K. Patel & Associates

Sd/-

(Kiran Kumar Patel)

Company Secretary

C.P.No.6352

UDIN: F006384C000891941

Place: Gandhinagar

Date: 03.09.2021

MANAGEMENT DISCUSSION AND ANALYSIS

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities, and internal control systems and their adequacy in the Company during the Financial Year 2020-21. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

INSIGHTS ON GLOBAL ECONOMY

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies related in part to high food prices.

These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

The growth for H1 was roughly the same as the 14.5% on-year growth for the first five months of 2021, and for June alone, the output grew 11.6% on year to nearly 168 million tons among the 64 countries, or down 3.7% on month.

China, though still the world's top steelmaking country, posted the lowest on-year gain for the second month in June among the top ten steelmaking countries, or up 1.5% on year but down 5.6% on month to 93.9 million tons, the WSA data showed, with was in line with WSA's projection in April that for 2021 the other steelmaking countries would probably post stronger gains than China.

India, the world's second largest steel-producing country, posted the greatest gain among the top ten in steel output over January-June, up 31.3% on year though its steel output for June swelled just 21.4% on year, ranked the fifth in growth among the top ten, and three others posted surges by over 40% on year for June with Brazil scoring the highest 45.2% gain from a year ago.

For the first half of 2021, crude steel production among 64 countries worldwide under the monthly survey of World Steel Association (WSA) maintained its momentum in growth, up 14.4% on year to slightly above 1 billion tones.

INDIAN ECONOMIC OVERVIEW

The Indian economy was forecast to record an 11.3% growth in 2021-22, based on prevailing conditions in March 2021.

Since then, however, the economic outlook has changed with the start of the 2nd wave of COVID-19. Consequently, a 9.4% growth is anticipated in 2021-22. However, this forecast is subject to changes based on the evolution of the 2nd wave, government responses to the same, and the performance of the economy in the post-lockdown period.

One of the important ramifications of the global pandemic has been the shift in global supply chains. China's position as a go-to manufacturing location has weakened, and producers are looking to diversify outside the country. India has emerged as an alternative, and this will fuel the government's vision of boosting domestic production.

In this regard, the government launched the PLI Scheme in 2020, which aims to attract foreign supply chains. However, India's attractiveness as an investment destination has been dented in the short term due to a 2nd wave of the virus; nevertheless, investor interest in the country will grow as the number of cases reduces, as central and state governments offer incentives to support manufacturing, and as structural reforms are implemented.

Structural reforms are a priority for the government - evidenced by reforms such as disinvestment and the establishment of bad banks (announced in the recent budget). Mining reforms were also cleared, and they will augment mining production and curtail imports. The government is also working on a national logistics policy that will slash logistics costs.

Some of the key industries that have received a boost from the pandemic include eCommerce and EdTech. eCommerce growth will soon spill over into the B2B space. Furthermore, the cold-chain industry stands to benefit from India's e-Groceries boom and the potential large-scale vaccination program.

Investors should look out for new government incentives to spur manufacturing. It is important to drive economic recovery after the second wave subsidies and lockdowns are eased. Opportunities for privatization will open up as the government has indicated a longterm vision of industry-wide privatization, barring a few strategic sectors.

This research service is designed to provide insight into India's growth trajectory for the next 4 quarters and shed light on the implications of the 2021-22 Budget, the recently launched Production Linked Incentive (PLI) Scheme, and ongoing and impending structural reforms, among other aspects that will highlight the country's near-term economic prospects and outlook.

Market Size

In FY21, the production of crude steel and finished steel stood at 102.49 MT and 94.66 MT, respectively. According to CARE Ratings, crude steel production is expected to reach 112-114 MT (million tonne), an increase of 8-9% YoY in FY22. The consumption of finished steel stood at 93.43 MT in FY21.

Exports and imports of finished steel stood at 10.79 MT and 4.75 MT, respectively, in FY21. In April 2021, India's export rose by 121.6% YoY, compared with 2020. In FY20, India exported 8.24 MT of finished steel.

Government Initiatives

The Cabinet recently approved the Production Linked Incentive (PLI) Scheme for "Specialty Steel" in India to be implemented over FY'23-24 to FY'29-30 with a budgetary outlay of INR 6,322 crore.

The aim of the scheme is to promote manufacturing of such steel grades within India. At present, the country operates at the low end of the value chain in steel manufacturing, with an average realisation of INR 51,000-58,000/tonne (t) only. In contrast, India's steel imports have an average value per tonne of INR 146,000-183,000.

The PLI incentive will boost domestic production of "Specialty Steel" and attract significant investment for production of the same in the country.

Road ahead

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

As per Indian Steel Association (ISA), steel demand will grow by 7.2% in 2019-20 and 2020-21.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Opportunities

There is a significant growth being witnessed in Construction sector as the government is spending on Infrastructure projects and the sector is considered to maintain the same level of momentum and demand with a gradual rise in Investment resulting in creating market for the Steel Industries in the Country.

Further the Capital goods market has also improved with rising manufacturing capacity utilization and infrastructure investment which has boosted demand for Construction and earthmoving equipment.

Also Consumer durable growth is driven by segments like Air-conditioner, Refrigerators and furniture supported by lowering of GST and hike in Import Duty and indirectly giving a good demand to steel industries

As per the National steel policy crafted during FY 2018-19, the crude steel production target for India is set at 300 MT by 2030. Share of sponge iron in steel making will be 80MT, which will create huge opportunity for sponge iron industry.

Threats

Presently there are no visible threats in the short and medium term in the sponge iron industry. However availability of key raw materials and environmental concerns might pose significant challenge in the future.

Outlook

The domestic consumption is considered to move at a same momentum as is evident in the demand pull visible in infrastructure, automobile and other sectors. Government is also driving the economy by investing in housing, roads, and ports and in other infrastructure projects.

Favourable domestic demand and remunerative prices in both domestic and international markets are likely to bolster steel production further in the years to come, resulting into more demand for sponge iron.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Production of sponge iron during the year was 85,306 MT as compared to 1,29,294 MT as compared in the previous year. Production of Ferro Chrome was 11,667 MT as compared to 17,854 MT in the previous year.

Accordingly, sales for sponge iron during the year was 87,377 MT as compared to 1,28,270 MT in the previous year. Sales of Ferro Chrome during the year were 11,280 MT as compared to 18,000 MT in the previous year.

Company has a power generation plant of 40 MW. During the year 68,006 MWH of power was sold by way of Captive Consumption as against 88113.75 MWH in the previous year.

During the year under review Total Revenue from operation has decreased from `40783.91 lacs to `30091.20 lacs as compared to previous year's turnover. Company has registered a net profit of ` 1155.40 lacs in comparison of net Profit of ` 1587.00 lacs during previous year.

RISK AND CONCERNS

The process of Risk Management in the company identifies inherent risks in its operations and records residual risk after taking specific risk mitigation steps. The company has identified and categorized risks in the areas of Operations, Finance, Marketing, Regulatory Compliances and Corporate matter.

The volatility in price of sponge iron, excess supply of sponge iron in the market will have an effect of squeezing margins and poses risk to the profitability. New customers, new market and cost reduction have been identified as the mitigation measures.

Also, the enforcement of recent Tariff policy guidelines on power by Government of India that requires the State Electricity Regulatory Commission to ascertain sale price of power based on cost of generation will have an impact on the revenue from export of power.

Fluctuation of import coal price, increase in USD-INR exchange rate, may lead to increase in cost of production. This is mitigated by continuous evaluation of international coal price vis-à-vis Indian coal price and accordingly the action plan for procurement has been formulated.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of its business. The objectives of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial statements and due compliance of statutes and Company's policies and procedures.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company is working on enhancing its competencies to take care of current and future business. Its employee strength as on March 31, 2021 was 441. Human Resource and Industrial Relations departments have developed systems and policies on recruitment, performance management, learning and development, and employee engagement. The Workers union of the Company has maintained healthy and cordial industrial relations, and has been an equal partner in implementing Company's policies and achieving stretched operational targets, year on year.

CAUTIONARY NOTE

Cautionary Statement The above Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include external economic conditions affecting demand/supply influencing price conditions in the market in which the Company operates, changes in Government regulations, tax laws, and other incidental factors.

Independent Auditors' Report

To the Members of
S.A.L STEEL LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s S.A.L STEEL LIMITED ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India of the state of affairs (financial Position) of the Company as at March 31, 2021, and its Profits (financial performance including other comprehensive income), its Cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter:

Description of Key audit Matter	Our response and results
<p>REVENUE(Refer note 46) to the standalone Ind AS financial statements)</p> <p>Revenue of the company comprises of sale of Sponge Iron, Ferro alloys sale of power. The company sells its products directly to the end use customers.</p> <p>Revenue recognition is a significant audit risk across the company. Specifically there is a risk that revenue is recognized on sale of goods before the control in the goods is transferred.</p>	<p>Our key audit procedures to assess the recognition of revenue on sale of goods included the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Company's revenue recognition policies, including those related to discounts and incentives; • We obtained an understanding of process and assessed the design, implementation and operating effectiveness of management's key internal controls in relation to revenue recognition from sale of goods. We also tested the Company's controls over timing of revenue recognition; • We also tested, on a sample basis, whether specific revenue transactions around the year end had been recognized in the appropriate period on the basis of the terms of sale of the contract, particularly with reference to the transfer of control in the goods in question with regard to the year end transactions.

Description of Key audit Matter	Our response and results
	We inspected key customer contracts/ purchase orders to identify terms and conditions related to acceptance of goods and the right to return and assessing the Company's revenue recognition policies with reference to the requirements of the prevailing accounting standards;
<p>Litigations and claims</p> <p>(Refer note 31A) to the standalone Ind AS financial statements)</p> <p>The cases are pending with multiple tax authorities like Service tax, Excise. & customs . and there are claims against the company which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from claims of the customers not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is dependent on a number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have considered Litigations and claims, a Key Audit Matter as it requires significant management judgement, including accounting estimates that involves high estimation uncertainty. estimation uncertainty.</p>	<p>Our audit procedures, inter alia, included following:</p> <ul style="list-style-type: none"> - Discussed disputed litigation matters with the company's management. - Evaluated the management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's correspondence/ response including on the claims lodged by customers were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. - Critically assessed the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Also, assessed the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion:</p> <p>Based on the procedures described above, we did not find any material exceptions to the management's assertions and treatment, presentation & disclosure of the subject matter in the standalone Ind AS financial statements.</p>

Emphasis of Matter

1. **Financial statements describes about the Non disclosure of Reportable Segments as required under Indian Accounting Standard – 108 'Operating Segments'. As IND AS 108 Operating Segments mandates the disclosure requirements there is no impact on the financial results due to non disclosure. .(Refer Note No 32 of notes forming part of Standalone Ind AS financial statement)**

Our opinion is not modified on the above matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other

information comprises the information included in the Annual report,. but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), Profit or loss(financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence; and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, we report that the company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss including other Comprehensive Income, standalone Statement of Changes in Equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e. On the basis of written representations, received from the directors as on March 31,2021 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31,2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in the standalone Ind AS financial statements (Refer Note No 31A the Standalone Ind AS financial statements.)
 - ii The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAGZ2539

Place:Ahmedabad
Date: 30/06/2021

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

ANNEXURE A –TO THE INDEPENDENT AUDIT REPORT
OF EVEN DATE TO THE MEMBERS OF S.A.L STEEL LIMITED
ON THE STANDALONE FIANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2021

- (i) In respect of its Property,Plant & Equipments:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment on the basis of available information.
- (b) As explained to us, major portion of Property, Plant & Equipment are physically verified by the management during the year in accordance with a phased program of verification adopted by company. in our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us,no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of our examination of records of the company, title deeds of the immovable properties held are in the name of the company.
- (ii) As explained to us, inventories were physically verified by management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us and on the basis of records produced before us,the company has not granted any loan, secured or unsecured to the companies,limited liability partnership or firms or other parties covered in the register maintained u/s 189 of the companies Act,2013 and hence sub-clause (a)&(b) & (c) of paragraph 3 of companies auditor's report order 2016 are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has not made any investment or given any loans during the year under review. Accordingly, paragraph 3(iv) of theOrder is not applicable.
- (v) The Company has not accepted any deposits from the public during the year under review.
- (vi). We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government of India for the maintenance of Cost records specified under section 148 of Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts & records have been made andmaintained. We have however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) : (a) According to the information and explanation given to us and on the basis of examination of therecords of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, ESIC, income-tax, Goods & Service Tax, , duty of customs, cess and other statutory dues have not been generally regularly deposited during the year with the appropriate authorities.
- According to the information and explanation given to us no undisputed amounts payable in respect of provident fund, ESIC, income-tax, Goods & Service Tax, duty of customs, cess and other statutory dues were outstanding as at 31st March,2021 for a period of more than six months from the date of becoming payable except dues for (1) deferred sales tax liability amounting to Rs.90.52 lakhs(2) dues of value added tax (VAT) to the tune of Rs.2240.56 lakhs.-
- (b) On the basis of records produced before us for our verification and according to the information and explanations given to us, the details of disputed dues that have not been deposited as on 31st March, 2021 on account of matters pending before the appropriate authorities are as under:

Sr. no	Name of the statue	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
1	Custom Act, 1962	Custom Duty	2011-12	Appellate Tribunal Ahmedabad	50.00
2	Custom Act, 1962	Custom Duty	2012-13	Appellate Tribunal Ahmedabad	449.85
3	Central Excise Act, 1994	Central Excise Duty	2008-09 to 2010-2011	Supreme Court	590.14

Sr. no	Name of the statute	Nature of Dues	Financial year to which it relates	From where the dispute is pending	Amount under dispute not yet deposited (Net of Payments) (in Rs lakhs.)
4	Central Excise Act, 1994	Central Excise Duty	2005-06 to sep 2014	Central Excise Commissioner	626.28
5	Central Service Tax Act, 1994	Service Tax	2016-17 & 2017-18	Deputy commissioner Audit Rajkot	150.26

- (viii) According to information & explanations given to us, the company has not defaulted in repayment of its dues to Financial Institutions. The company does not have any borrowings from debenture holders, Banks or Government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAGZ2539

Sd/-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place: Ahmedabad
Date: 30/06/2021

Annexure B to the Independent Auditor's Report of Even Date to the Members of S.A.L STEEL LIMITED on the Standalone Financial Statements of the year ended on 31st March 2021**Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the standalone financial statements of M/s S.A.L STEEL LIMITED ("the Company") as at and for the year ended 31st March 2021, We have audited the internal financial controls over financial reporting of the company as of that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting and the Guidance Note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Parikh & Majmudar
Chartered Accountants
FR No. 107525W
UDIN: 21040230AAAAGZ2539
Sd-
[C.A (Dr) Hiten M. Parikh]
PARTNER
Membership No. 40230

Place: Ahmedabad
Date: 30/06/2021

Standalone Balance Sheet as at 31st March, 2021

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	As At 31.03.2021	As At 31.03.2020
ASSETS			
1 Non-current assets			
a) Property, Plant and Equipment	2	15490.64	11798.59
b) Capital work-in-progress		100.94	4605.90
c) Other Intangible assets		5.77	5.77
d) Financial Assets			
(i) Trade receivables	3	331.29	283.85
(ii) Loans		-	-
(iii) Security Deposits		-	-
e) Deferred tax assets (net)		-	-
f) Other non-current assets	4	508.17	492.56
2) Current assets			
a) Inventories	5	3216.91	1976.21
b) Financial Assets			
(i) Trade receivables	6	8588.66	11965.72
(ii) Cash and cash equivalents	7	87.19	18.65
(iii) Bank balances other than (iii) above	8	45.28	42.94
(iv) Loans	9	3.22	7.19
c) Other current assets	10	1149.42	182.72
TOTAL ASSETS		29,527.49	31,380.10
EQUITY & LIABILITIES :			
EQUITY:			
a) Equity Share capital	11	8496.67	8496.67
b) Other Equity	12	-5879.87	-7041.32
LIABILITIES :			
1) Non-Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	13	12397.08	14563.26
(ii) Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		182.46	178.58
(iii) Other Financial Liabilities	15	44.05	66.68
b) Provisions	16	117.12	106.09
c) Deferred tax liabilities (Net)	17	1847.30	1988.06
d) Other non-current liabilities		-	-
2) Current liabilities			
(i) Borrowings	18	22.58	28.46
(ii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6317.14	6681.56
(iii) Other financial liabilities	20	2301.96	1557.27
(iv) Other current liabilities	21	2932.15	3740.76
(v) Provisions	22	526.37	1014.03
(vi) Current Tax liability (Net)	22A	222.48	-
Total Equity and Liabilities		29,527.49	31,380.10

The accompanying Notes 1 to 46 are integral part of these Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:21040230AAAAGZ2539

Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June, 2021

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[J.P. GOYAL]
Whole Time Director
(DIN : 08874805)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(Amount ₹ in Lakhs)

S.No. Particulars	Note No.	Year ended 31 st March,2021	Year ended 31 st March,2020
I Revenue from Operations	23	30091.20	40783.91
II Other Income	24	2195.78	4429.97
III Total Income (I +II)		32286.98	45213.88
IV Expenses:			
Cost of Materials Consumed	25	21281.27	31796.41
Purchases of Stock-in-Trade	26	89.09	464.62
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	27	-511.30	377.65
Employee Benefits Expense	28	1540.46	1008.82
Finance Costs	29	23.68	151.39
Depreciation and Amortization Expense		901.51	751.97
Other Expenses	30	7720.20	8956.60
Total Expenses (IV)		31044.91	43507.46
V Profit before Exceptional Item (III- IV)		1242.07	1706.42
Exceptional Items		-	-
VI Profit before tax (III- IV)		1242.07	1706.42
VI Tax expense :			
(1) Current Tax		229.47	-
(2) Deferred Tax		-142.80	119.42
Total Tax Expenses (VII)		86.67	119.42
VII Profit for the period (V -VI)		1155.40	1587.00
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-8.08	8.96
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.03	-3.13
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income (VIII)		-6.05	5.83
IX Total Comprehensive Income for the period (VII + VIII) (Comprising Profit and Other Comprehensive Income for the period)		1161.45	1581.17
X Earnings per equity share (Face Value of Rs 10/- each)		1.36	1.87
Basic & Diluted	31		

The accompanying Notes 1 to 46 are integral part of these Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:21040230AAAAGZ2539
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June, 2021

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[J.P. GOYAL]
Whole Time Director
(DIN : 08874805)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(Amount ₹ in Lakhs)

PARTICULARS	2020-21		2019-20	
	Amount in ₹		Amount in ₹	
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
NET PROFIT/(LOSS) BEFORE TAX		1242.07		1,706.42
Add/(Less):				
Depreciation and amortization expense	901.51		751.97	
Loss / (Profit) on sale of Assets	-0.02		-	
Financial Cost	23.68		151.39	
Interest Income	-5.22	919.95	-5.90	897.46
		2,162.02		2,603.89
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
Adjustments for:				
Trade and Other Receivables (Including Loans and other non current assets)	2347.32		-1475.21	
Inventories	-1240.69		1194.50	
Trade Payables and other liabilities(Including Provisions and other financial liabilities)	-689.20	417.43	3043.28	2,762.56
CASH GENERATED FROM OPERATIONS		2,579.45		5,366.44
Less: Income Tax Paid		-229.47		-
CASH FLOW BEFORE EXTRA ORDINARY ITEMS		2,349.98		5,366.44
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		2,349.98		5,366.44
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Sale Proceeds of Assets	0.64		-	
Interest Income	5.22		5.90	
Purchase of Fixed Assets	-89.22		-	
Investment in Capital Work in Progress	-		-3529.06	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		-83.36		-3523.16
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Working Capital Loans	-2172.06		-1655.87	
Financial Expenses.	-23.68		-151.39	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		-2195.74		-1807.27
NET INCREASE / DECREASE IN CASH & CASH EQUIVALENTS(A+B+C)		70.88		36.01
Cash & Cash Equivalent in the Beginning of the year		61.59		25.58
Cash & Cash Equivalent in the Closing of the year		132.47		61.59

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS-7) Statement of Cashflows.

This is the Cashflow Statement referred to in our report of even date.

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021 (Contd.)

(Amount ₹ in Lakhs)

S.No. Particulars		As At 31.03.2021	As At 31.03.2020
Note:			
Balances with banks (in Current Accounts)		83.54	17.15
Balances with banks (in Guarantee Money)		45.28	42.94
Cash on Hand		3.65	1.50
Total		132.47	61.59

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
(Firm Regn.No.107525W)
UDIN:21040230AAAAGZ2539
Sd/-
CA Dr. Hiten Parikh
Partner
Membership No.040230
PLACE : AHMEDABAD
DATE : 30th June, 2021

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
Chairman
(DIN : 00020904)
Sd/-
[J.P. GOYAL]
Whole Time Director
(DIN : 08874805)

Sd/-
[B L Singhal]
Whole Time Director & C F O
(DIN : 01484213)
Sd/-
[Manish Daulani]
Company Secretary

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in ₹in lakhs)

Particulars	
Balance as at 1st April 2020	8,496.67
Changes during the year	-
Balance as at 31st March, 2021	8,496.67

Other Equity as at 1st April 2019

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(22.20)	(12,328.00)	(8,622.49)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	5.83	-	5.83
Profit for the year	-	-	-	-	1,587.00	1,587.00
Balance at the end of the reporting period	5.11	2,878.20	800.00	(16.37)	(10,741.00)	(7,041.32)

Other Equity as at 1st April 2020

(Amount in ₹in lakhs)

Particulars	General Reserve	Securities Premium Reserve	Capital Reserve	Other Comprehensive income	Retained Earnings	Total
Balance at the beginning of the reporting period	5.11	2,878.20	800.00	(16.37)	(10,741.00)	(7,041.32)
Other Comprehensive Income arising from Remeasurement of defined benefit obligation net of Income Tax	-	-	-	(6.05)	-	(6.05)
Profit for the year	-	-	-	-	1,155.40	1,155.40
Balance at the end of the reporting period	5.11	2,878.20	800.00	(22.42)	(9,585.60)	(5,879.87)

The accompanying Notes 1 to 46 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
 (Firm Regn.No.107525W)
 UDIN:21040230AAAAGZ2539
 Sd/-
CA Dr. Hiten Parikh
 Partner
 Membership No.040230
 PLACE : AHMEDABAD
 DATE : 30th June, 2021

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
 Chairman
 (DIN : 00020904)
 Sd/-
[J.P. GOYAL]
 Whole Time Director
 (DIN : 08874805)

Sd/-
[B L Singhal]
 Whole Time Director & C F O
 (DIN : 01484213)
 Sd/-
[Manish Daulani]
 Company Secretary

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021:**A. DISCLOSURE OF ACCOUNTING POLICIES****1.1 CORPORATE INFORMATION**

The Company is a Public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange. The company is engaged in manufacturing Sponge Iron, Ferro Alloys and power and the products manufactured by the company are sold in the domestic market as well as international market. Because of the Captive power generation, company has advantage of low power cost per unit of manufacturing. Company is generating 40 MW Power from waste Heat recovery Boiler & Fluidized Bed Combustion boiler with economic price. Power generated is used for captive consumption and surplus power is sold.

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

These Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS 1 - 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Accounting policies have been consistently applied consistently to all the periods presented in the financial statements.

The financial statements are presented in Indian Rupees in lakhs. Where changes are made in presentation, the comparative figures of the previous year are regrouped and re-arranged accordingly.

1.2 USE OF ESTIMATES :

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

1.3 PROPERTY, PLANT AND EQUIPMENT:

- i) Property, Plant and Equipment are stated at original cost (net of tax/duty credit available) less accumulated depreciation and impairment losses. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses related to the acquisition, and pre-operative expenses including attributable borrowing costs incurred during pre-operational period.
- ii) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.
- iii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- iv) Property, Plant and Equipment are depreciated and/or amortised on the basis of their useful lives as notified in Schedule II to the Companies Act, 2013. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is provided on straight line method over its useful life (as per schedule III of the Companies Act 2013), except capital work in progress on which no depreciation has been provided.
- v) Depreciation in respect of additions to assets has been charged on pro rata basis with reference to the period when the assets are ready for use.
- vi) An asset's carrying amount is written down immediately on discontinuation to its recoverable amount if the

Notes forming part of the Financial Statements

asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Profit/ Loss on Sale and Discard of Fixed Assets.

- vii) Assets which are not ready for their intended use on reporting date are carried as capital work-in-progress at cost, comprising direct cost and related incidental expenses.
- viii) Useful lives of the Property, Plant and Equipment as notified in Schedule II to the Companies Act, 2013 are as follows :
 - Buildings - 30 to 60 years
 - Plant and Equipments - 15 years
 - Furniture and Fixtures - 10 years
 - Vehicles - 8 to 10 years
 - Office Equipments - 5 to 10 years
 - Others - Computer Hardware 3 to 6 years

1.4 INTANGIBLE ASSETS:

- i) Intangible assets acquired by payment e.g. Computer Software are disclosed at cost less amortization on a straight-line basis over its estimated useful life.
- ii) Intangible assets are carried at cost, net of accumulated amortization and impairment loss, if any.
- iii) Intangible assets are amortised on straight-line method as follows :
 - Computer Software - 5 years
- iv) At each balance sheet date, the Company reviews the carrying amount of intangible assets to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of the net selling price and the value in use, determined by discounting the estimated future cash flows expected from the continuing use of the asset to their present value.

1.5 REVENUE RECOGNITION

- i) Revenue comprises of all economic benefits that arise in the ordinary course of activities of the Company which result in increase in Equity, other than increases relating to contributions from equity participants. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.
- ii) Sale of Goods: Revenue from sales of goods is recognized on transfer of significant risks and rewards of ownership to the customers. Revenue shown in the Statement of Profit and Loss are excluding, re-turns, trade discounts, cash discounts, Goods & Service Tax.
- iii) Services: Revenue from Services are recognized as and when the services are rendered.
- iv) Interest: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- v) Export Benefits are accounted on accrual basis.
- vi) Government Grants/ Refund are accounted for as and when the same is received.

1.6 EMPLOYEE BENEFITS:

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post Employment and Retirement benefits in the form of Gratuity are considered as defined benefit obligations and is provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.
- iii) The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on government bonds that have terms approximating to the terms of the related obligation.
- iv) Employee benefits in the form of Provident Fund is considered as defined contribution plan and the contributions to Employees' Provident Fund Organization established under The Employees' Provident Fund

Notes forming part of the Financial Statements

and Miscellaneous Provisions Act 1952 is charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid.

1.7 VALUATION OF INVENTORIES

- i) The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. The costs of Raw Materials, Stores and spare parts etc., consumed consist of purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the procurement.
- ii) Stock of Raw Materials are valued at cost and of those in transit and at port related to these items are valued at cost to date. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Material and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Stock of Stores and spare parts are valued at cost; and of those in transit and at port related to these items are valued at cost.
- iv) Goods-in-process is valued at lower of cost or net realisable value.
- v) Stock of Finished goods is valued at lower of cost or net realisable value.
- vi) Stock of by product is valued at lower of cost or net realisable value.

1.8 CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the Company is segregated.

Cash and cash equivalents in the balance sheet comprise cash at bank,

cash/cheques in hand and short term investments with an original maturity of three months or less.

1.9 FINANCIAL ASSETS:

- i) The Company classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those to be measured at amortised cost.
- ii) Trade receivables represent receivables for goods sold by the Company upto to the end of the financial year. The amounts are generally unsecured and are usually received as per the terms of payment agreed with the customers. The amounts are presented as current assets where receivable is due within 12 months from the reporting date.
- iii) Trade receivables are impaired using the lifetime expected credit loss model under simplified approach. The Company uses a matrix to determine the impairment loss allowance based on its historically observed default rates over expected life of trade receivables and is adjusted for forward looking estimates. At every reporting date, the impairment loss allowance is determined and updated and the same is deducted from Trade Receivables with corresponding charge/credit to Profit and Loss.
- iv) A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset, or when it has transferred substantially all the risks and rewards of the asset, or when it has transferred the control of the asset.

1.10 FINANCIAL LIABILITIES:

- i) Borrowings are removed from balance sheet when the obligation specified in the contract is discharged, cancelled or expired.
- ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
- iii) Trade Payables represent liabilities for goods and services provided to the Company upto to the end of the financial year. The amounts are unsecured and are usually paid as per the terms of payment agreed with the vendors. The amounts are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially and subsequently measured at amortized cost.
- iv) Financial assets and Financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes forming part of the Financial Statements

1.11 FAIR VALUE MEASUREMENT:

- i) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.
- ii) The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- iii) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
- iv) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

1.12 FOREIGN CURRENCY TRANSACTIONS:

- i) The Company's financial statements are presented in Indian Rupees ('INR'), which is also the Company's functional currency.
- ii) Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise.
- iii) Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

1.13 BORROWING COSTS:

- i) Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.
- ii) General and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use.
- iii) All other borrowing costs are expensed in the period in which they are incurred.

1.14 ACCOUNTING FOR TAXES ON INCOME:

- i) Tax expenses comprise of current tax and deferred tax including applicable surcharge and cess.
- ii) Current Income tax is computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.
- iii) Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profits against which the deductible temporary differences, and the carry forward unused tax credits and unused tax losses can be utilized.
- iv) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it is become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Notes forming part of the Financial Statements

- v) Deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income. As such, deferred tax is also recognized in other comprehensive income.
- vi) Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Tax Assets and Deferred Tax Liabilities relate to taxes on income levied by same governing taxation laws.

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

- i) Provisions are made when (a) the Company has a present legal or constructive obligation as a result of past events; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate is made of the amount of the obligation.
- ii) Contingent liabilities are not provided for but are disclosed by way of Notes on Accounts. Contingent liabilities is disclosed in case of a present obligation from past events (a) when it is not probable that an outflow of resources will be required to settle the obligation;(b)when no reliable estimate is possible;(c)unless the probability of outflow of resources is remote.
- iii) Contingent assets are not accounted nor disclosed.

1.16 CURRENT AND NON-CURRENT CLASSIFICATION:

- i) The Normal Operating Cycle for the Company has been assumed to be of twelve months for classification of its various assets and liabilities into "Current" and "Non-Current".
- ii) The Company presents assets and liabilities in the balance sheet based on current and non-current classification.
- iii) An asset is current when it is (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; (d) Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.
- iv) An liability is current when (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be discharged within twelve months after the reporting period; (d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

1.17 RELATED PARTY TRANSACTIONS:

- i) A related party is a person or entity that is related to the reporting entity preparing its financial statements
 - (a) A person or a close member of that person's family is related to reporting entity if that person;
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity;or
 - (iii) is member of the key management personnel of the reporting entity or of a parent of the reporting entity.
 - (b) An entity is related to a reporting entity if any of the following conditions applies;
 - (i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in(a);
 - (vii) A person identified in Has significant influence over the entity or is a member of the key management personnel of the entity(or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Notes forming part of the Financial Statements

- ii) A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Compensation includes all employee benefits i.e. all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- iii) Disclosure of related party transactions as required by the accounting standard is furnished in the Notes on Financial Statements.

1.18 EARNINGS PER SHARE:

- i) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
- ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.19 LEASE**Operating Lease****As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company, as lessee, are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

1.20 CRITICAL ACCOUNTING JUDGMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the standalone financial statements:

(i) Determination of Functional Currency

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (Rs) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (Rs).

(ii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external

Notes forming part of the Financial Statements

factors (significant decline asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

b) Assumptions and Estimation Uncertainties

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

(i) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(ii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iii) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by the Company.

(iv) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes forming part of the Financial Statements

Note 2: Fixed Assets

TANGIBLE ASSETS :

(Amount in ₹in lakhs)

Particulars	Freehold Land	Buildings	Plant And Machineries	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Cost of Assets								
As at 1st April 2019	730.56	4431.32	25566.30	61.96	942.41	45.45	103.19	31881.20
Addition	-	-	-	-	-	-	-	-
Disposal/Adjustments	-	-	-	-	-	-	-	-
As at 31st March 2020	730.56	4431.32	25566.30	61.96	942.41	45.45	103.19	31881.20
Addition	-	199.29	4394.89	-	-	-	-	4594.18
Disposal/Adjustments	-	-	-	-	12.30	-	-	12.30
As at 31st March 2021	730.56	4630.61	29961.18	61.96	930.11	45.45	103.19	36487.68
Depreciation								
As at 1st April 2019	-	1874.22	16402.13	58.86	855.28	42.15	98.00	19330.63
Charge for the year	-	137.14	607.59	-	7.24	-	-	751.97
Disposal/Adjustments	-	-	-	-	-	-	-	-
As at 31st March 2020	-	2011.37	17009.71	58.86	862.52	42.15	98.00	20082.61
Charge for the year	-	141.88	753.12	-	5.48	1.03	-	901.51
Disposal/Adjustments	-	-	-	-	11.68	-	-	11.68
As at 31st March 2021	-	2153.24	17762.83	58.86	856.32	43.18	98.00	20972.43
Net Block								
As at 31st March 2020	730.56	2419.95	8556.58	3.10	79.90	3.30	5.19	11798.58
As at 31st March 2021	730.56	2477.37	12198.35	3.10	73.80	2.27	5.19	15490.64

INTANGIBLE ASSETS :

PARTICULARS	SOFTWARE	TOTAL
Cost of Assets		
As at 1st April 2019	115.30	115.30
Addition	-	-
Disposal/Adjustments	-	-
Other adjustment	-	-
As at 31st March 2020	115.30	115.30
Addition	-	-
Disposal/Adjustments	-	-
Other adjustment	-	-
As at 31st March 2021	115.30	115.30
Depreciation		
As at 1st April 2019	109.53	109.53
Charge for the year	-	-
Disposal/Adjustments	-	-
As at 31st March 2020	109.53	109.53
Charge for the year	-	-
Disposal/Adjustments	-	-
As at 31st March 2021	109.53	109.53
Net Block		
As at 31st March 2020	5.77	5.77
As at 31st March 2021	5.77	5.77
CAPITAL WORK IN PROGRESS		31.03.2021
Opening balance as at 01-4-2020		4605.90
Add: Addition During the year		58.71
Less: Deduction During the year		4563.67
Closing Balance as at 31-03-2021		100.94
(Building and Plant & Machinery)		
Total		100.94

NOTE NO : 2	As at	As at
Fixed assets :	March 31, 2021	March 31, 2020
(i) Property, Plant and Equipment	15490.64	11798.59
(ii) Capital work-in-progress	100.94	4605.90
(iii) Other Intangible assets	5.77	5.77
	15597.35	16410.26

NOTE NO : 3	As at	As at
Trade Receivables :	March 31, 2021	March 31, 2020
Non-current Trade Receivable		
Unsecured, considered good	331.29	283.85
	331.29	283.85

NOTE NO : 4	As at	As at
Other non-current assets :	March 31, 2021	March 31, 2020
(a) Security Deposit		
Unsecured considered good	236.77	236.78
(b) Other Loan and advances		
Unsecured, considered good	266.31	253.06
(c) Advance Income Tax, TDS & TCS	5.09	2.72
	508.17	492.56

NOTE NO : 5	As at	As at
Inventories : (As taken, valued & certified by Management)	March 31, 2021	March 31, 2020
(a) Raw Materials	1079.45	1433.73
(b) Work in progress	68.68	0.01
(c) Finished goods	835.02	457.00
(d) Stores and spares	1144.94	61.26
(e) By Product	88.82	24.21
	3216.91	1976.21

NOTE NO : 6	As at	As at
Trade receivables :	March 31, 2021	March 31, 2020
Un Secured, considered good	8588.66	11965.72
TOTAL	8588.66	11965.72

Trade Receivables includes Rs 7918.09 lakhs in CY and Rs. 11216.67 Lakhs in PY from Associated concerns (i.e. Shah Alloys Ltd) in which director of a Company is interested.

NOTE NO : 7	As at	As at
Cash and cash equivalents	March 31, 2021	March 31, 2020
(a) Balances with Scheduled Banks		
In current Account	83.54	17.15
(b) Cash on hand	3.65	1.50
	87.19	18.65

(Amount in ₹in lakhs)

NOTE NO : 8	As at	As at
Bank Balance other than cash and cash equivalents	March 31, 2021	March 31, 2020
Balances with banks (in Guarantee Money)	45.28	42.94
	45.28	42.94

NOTE NO : 9	As at	As at
Loans	March 31, 2021	March 31, 2020
Unsecured, considered good		
Loans and Advances to Employees	3.22	7.19
	3.22	7.19

NOTE NO : 10	As at	As at
Other current assets :	March 31, 2021	March 31, 2020
Unsecured, considered good		
Balance with government authorities	11.02	84.92
Advance to Suppliers	1138.40	97.80
	1149.42	182.72

(Amount in ₹in lakhs)

NOTE NO : 11	As at	As at
Share Capital :	March 31, 2021	March 31, 2020
Authorised :		
14,00,00,000 Equity Shares of Rs 10/- each (Previous year : 14,00,00,000 Equity Shares of Rs 10/- each)	14000.00	14000.00
	14000.00	14000.00
Issued & Subscribed and Paid up :		
8,49,66,700 Equity Shares of Rs.10/- each fully paid up (Previous year : 8,49,66,700 Equity Shares of Rs.10/- each fully paid up)"	8496.67	8496.67
	8496.67	8496.67

The Authorised, issued, subscribed and fully paid up share capital comprises of equity shares having a par value of Rs 10/- each as follows:

a) Reconciliation of number of shares:

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Rs. in lakhs	Number of shares	Rs. in lakhs
Shares outstanding at the beginning of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67
Changes during the Year	-	-	-	-
Shares Outstanding at the end of the year	8,49,66,700	8,496.67	8,49,66,700	8,496.67

b) Terms/rights, preferences and restrictions attached to securities:

Equity shares:

The company has one class of equity share having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of directors is subject to the approval of shareholders in the ensuing Annual general meeting, except in case of interim dividend. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of Shareholders holding more than 5% in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity shares				
Shah Alloys Limited	3,02,56,989	35.61	3,02,56,989	35.61
SAL Care Pvt Limited	1,27,02,900	14.95	1,27,02,900	14.95
Total		50.56		50.56

(Amount in ₹in lakhs)

Note : 12	Amount	31.03.2021	Amount	31.03.2020
Other Equity :				
Securities Premium Account				
Opening Balance	2878.20		2878.20	
Add : Addition during the year	0.00		0.00	
	<u>2878.20</u>	2878.20	<u>2878.20</u>	2878.20
Capital Reserve				
Opening Balance	800.00		800.00	
Add : Addition during the year	0.00		0.00	
	<u>800.00</u>	800.00	<u>800.00</u>	800.00
Capital Redemption Reserve (For Redemption of Preference Share Capital)				
General Reserve				
Opening Balance	5.11		5.11	
Add : Addition during the year	0.00		0.00	
	<u>5.11</u>	5.11	<u>5.11</u>	5.11
Retained Earnings				
Balance Brought Forward From Previous Year	-10741.00		-12328.00	
Add: Profit for the year	1155.40		1587.00	
	<u>-9585.60</u>	-9585.60	<u>-10741.00</u>	-10741.00
Other Comprehensive Income/(Expenses)				
Re-measurement of the defined benefit plans				
Opening Balance	-16.37		-22.20	
Add: Addition during the year	-6.05		5.83	
Closing Balance	<u>-22.42</u>	-22.42	<u>5.83</u>	-16.37
		-5879.87		-7041.32

Purpose of Reserve

Security Premium : Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital Redemption Reserve : As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013

Retained Earnings : Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Capital Reserve : The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve."

(Amount in ₹in lakhs)

NOTE NO : 13	As at	As at
Borrowings :	March 31, 2021	March 31, 2020
Term Loan (Refer note below)		
Invent Assets Securitization & Reconstruction Pvt. Ltd.	12397.08	14563.26
	12397.08	14563.26

Secured Borrowings:**(a) Nature of security and terms of repayment for secured borrowings:**

- The above loan is secured by way of Land Bearing Surevy no 243 & 245 situated at Bharpur , Taluka Gandhidham District -Kutch.Further Secured by way of all movable assets both present and future belonging to the company.
- Further secured by way of personal guarantees of (i) Shri Rajendrabhai V. Shah (ii) Smt. R.R. Shah (iii) Shri Jayesh V. Shah (iv) and Corporate Guarantee of M/s Shah Alloys Limited.
- Further secured by way of Pledge of 10756989 equity shares of Shah Alloys Ltd pledged to Consortium members

(Amount in ₹in lakhs)

Name of ARC	payable in	payable in
	2021-22	2022-23
Invent Assets Securitization & Reconstruction Pvt. Ltd.	2166.18	12397.08
TOTAL	2166.18	12397.08

(Amount in ₹in lakhs)

NOTE NO : 14	As at	As at
Trade Payable	March 31, 2021	March 31, 2020
Trade Payables	182.46	178.58
(Refer Note No 19a)	182.46	178.58

(Amount in ₹in lakhs)

NOTE NO : 15	As at	As at
Other Financial Liabilites	March 31, 2021	March 31, 2020
Trade Deposit from Customers	44.05	44.05
Deferred sales tax Liability	-	22.63
	44.05	66.68

Deferred sales tax liability :

Deferred sales tax liability is interest free and payable in six equal annual installments of Rs. 22.63 lakhs each payable from 1st May, 2016

(Amount in ₹in lakhs)

NOTE NO : 16	As at	As at
Long term provisions :	March 31, 2021	March 31, 2020
Provision for Gratuity	88.92	77.89
Provision for Leave Encashment	28.20	28.20
	117.12	106.09

Notes forming part of the Financial Statements

c) Details of Shareholders holding more than 5% in the Company:

NOTE NO : 17	As at March 31, 2021	As at March 31, 2020
Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Timing Difference of Depreciation	1914.23	2070.43
Deferred Tax Assets		
(a) Gratuity & Other Payments	66.93	82.37
(b) Unabsorbed Loss	-	82.37
Net Deferred Tax Liabilities	1847.30	1988.06

(Amount in ₹in lakhs)

NOTE NO : 18	As at	As at
Borrowings	March 31, 2021	March 31, 2020
Inter Corporate Deposit	22.58	28.46
	22.58	28.46

Borrowings includes Rs 8.67 lakhs in CY and Rs. 14.56 in PY from Associated concerns (i.e. SAL Care Pvt. Ltd.) in which director of a Company is interested.

(Amount in ₹in lakhs)

NOTE NO : 19	As at	As at
Trade Payable	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues other than micro enterprises and small enterprises	6317.14	6681.56
	6317.14	6681.56

(Amount in ₹in lakhs)

NOTE NO : 19a	As at	As at
	March 31, 2021	March 31, 2020
Trade Payables - Total outstanding dues of Micro & Small Enterprises*		
a) The Principal amount and Interest due there on remaining unpaid as at year end: Principal	-	-
b) Interest paid by the company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and		
ANNUAL REPORT 2020-2021		60
d) Interest accrued and remain unpaid as at year end	-	-
e) Further Interest remaining due and payable even in the succeeding year until such date when the interest dues as above are actually paid to the small enterprises	-	-

*Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(Amount in ₹in lakhs)

NOTE NO : 20	As at	As at
Other financial liabilities :	March 31, 2021	March 31, 2020
(a) Current maturities of long-term debt;	2188.81	1466.75
(b) Deferred sales tax Liability	113.15	90.52
	2301.96	1557.27

(Amount in ₹in lakhs)

NOTE NO : 21	As at	As at
Other Current Liabilites :	March 31, 2021	March 31, 2020
Advance from customers	24.13	106.26
Duties and taxes	2908.02	3165.89
Credit balance in current account with schedule bank (Book overdraft)	-	468.61
	2932.15	3740.76

(Amount in ₹in lakhs)

NOTE NO : 22	As at	As at
Provisions	March 31, 2021	March 31, 2020
Provision for employee benefits	123.05	103.34
Provision for Gratuity	25.77	23.46
Provision for expenses	377.55	887.23
	526.37	1014.03

(Amount in ₹in lakhs)

NOTE NO : 22A	As at	As at
Current Tax Liability	March 31, 2021	March 31, 2020
Provision for Taxation (Net of TDS and TCS)	222.48	-
	222.48	-

(Amount in ₹in lakhs)

NOTE NO : 23	As at	As at
I. Revenue from operations	March 31, 2021	March 31, 2020
A. Sale of Products		
Direct Export Turnover	188.05	2422.04
Domestic Turnover	29900.20	38322.81
Gross Turnover	30088.25	40744.85
B. Other Revenue from operations	2.94	39.06
Total Revenue from operations	30091.19	40783.91

(Amount in ₹in lakhs)

Other operating revenue as under	As at	As at
	March 31, 2021	March 31, 2020
Duty Drawback & Export Incentives	2.94	39.06
Total	2.94	39.06

NOTE NO : 24	As at	As at
Other Income :	March 31, 2021	March 31, 2020
Other Interest (TDS Rs 0.39 Lakhs)(P Y Rs 0.59 Lakhs)	5.22	5.90
Rent Income (TDS Rs Nil Lakhs)(P Y Rs 0.19 Lakhs)	9.60	9.60
SGST Refund Income	609.65	4328.94
Electricity Refund	1556.70	-
Profit on Sale of Assets	0.02	-
Foreign exchange fluctuation Gain (Net)	14.16	85.53
Sundry balances written back(Net)	0.43	-
	2195.78	4429.97

Note : 25	Amount	31.03.2021	Amount	31.03.2020
Cost of Materials Consumed:	₹in lakhs		₹in lakhs	
Raw Material Consumed:				
Opening Stock of Raw Material	1379.85		1904.46	
Add : Purchases	20921.66		31271.79	
	-		-	
	22301.51		33176.25	
Less : Closing Stock of Raw Material	1020.24		1379.85	
		21281.27		31796.41

(Amount in ₹in lakhs)

NOTE NO : 26	As at	As at
	March 31, 2021	March 31, 2020
Purchase of Stock-in-Trade	89.09	464.62
Total	89.09	464.62

Note : 27	Amount	31.03.2021	Amount	31.03.2020
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	₹in lakhs		₹in lakhs	
Opening Stock				
Finished Goods	481.21		591.47	
Stock-in-Progress	0.01		267.40	
		481.22		858.87
Less : Closing Stock				
Finished Goods	923.84		481.21	
Stock-in-Progress	68.68		0.01	
		992.52		481.22
Increase/(Decrease) in Stock of Finished Goods & Stock-in-Progress		-511.30		377.65

(Amount in ₹in lakhs)

NOTE NO : 28	As at	As at
Employee benefits expenses	March 31, 2021	March 31, 2020
Salary & Bonus	1400.02	885.38
Contribution to Provident Fund etc.	58.94	56.50
Staff welfare expenses	81.50	66.94
	1540.46	1008.82

NOTE NO : 29 Finance Costs	As at March 31, 2021	As at March 31, 2020
Interest to Others	23.68	151.39
	23.68	151.39

Note : 30 Other Expenses	Amount ₹in lakhs	31.03.2021	Amount ₹in lakhs	31.03.2020
Stores & Spares Consumed :				
Opening Stock	61.26		347.54	
Add : Purchases	2146.08		772.69	
	2207.34		1120.23	
Less: Closing Stock	1144.94	1062.40	61.26	1058.97
Power & fuel (Including cost of power generation)		4937.98		5958.48
Repairs & Maintenance :				
Machinery	31.72		34.17	
Building	15.40		8.62	
Others	6.57	53.69	7.77	50.56
Labour charges		755.13		539.75
Freight outward		389.67		664.61
Audit Fees*		8.00		8.00
Sales Commision		29.58		36.55
General/ Miscellaneous Expenses		271.34		349.13
Insurance Expenses		19.09		18.50
Legal & Professional Charges		138.17		255.97
Rent,Rate and Taxes		55.15		16.07
		7720.20		8956.60

	As at March 31, 2021	As at March 31, 2020
As auditors - Statutory audit	8.00	8.00
For other Services	-	-
	8.00	8.00

NOTE NO : 30 Earnings Per Share :	Year Ended March 31, 2021	Year Ended March 31, 2020
Basic/Diluted Earnings per Share		
Number of Equity Shares at the beginning of the year	849.67	849.67
Number of Equity Shares allotted during the year		
Number of Equity Shares at the end of the year	849.67	849.67
Weighted average number of equity shares		
Profit for the year (after tax,available for equity shareholders) In Rs	1155.40	1587.00
Basic and Diluted Earnings Per Share Rs	1.36	1.87

NOTE NO : 31A	Year Ended March 31, 2021	Year Ended March 31, 2020
Contingent liabilities and commitments (to the extent not provided for):		
(A) Contingent liabilities:		
Disputed Excise Demand (Matter Under appeal)	1216.42	1216.42
Disputed Custom duty demand (Matter Under appeal)	499.85	499.85
Disputed Custom duty service tax demand (Matter Under appeal)	150.26	150.26
Claims not acknowledge as debt against the company (including interest and penalty)		
Others	3403.15	3403.15
<p>Provident Fund: The Honorable Supreme Court has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgment to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.</p> <p>It is not practical for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.</p> <p>The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse impact on its financial results.</p>		
(B) Commitment:		
<p>Estimated amount of contracts, remaining to be executed on capital account and not provided for Rs.Nil net of advance (Previous Year: Rs.Nil).</p> <p>Commercial Tax Department has challenged by way of Tax Appeal before Supreme Court, the order of Gujarat High Court wherein Judgment of Joint Commissioner of Commercial Tax (Legal) was quashed and decided that non cooking coal used in the manufacturing process for Sponge Iron as raw material and eligible for ITC under Section 11 (3)(b). The result of the appeal will decide whether company has to claim amount of ITC or refund ITC already taken. However, amount of contingent liability cannot be ascertained.</p>		

32. SEGMENT REPORTING:

The Company is manufacturing Ferro Alloys & Sponge Iron, which is basically used in Iron & Steel Industry. Further power generated in the company in its power plant is used for captive as well as trading purpose. In view of this, the company has to consider "Iron & Steel" and "Power" as Primary Reportable business segment, as per Indian Accounting Standard - 108 'Operating Segments'. Reporting. However, due to substantial competition, risk, on-going position of Company and largely in the interest of the Company as well as interest of the stake holders involved, management has not made disclosure of Primary Reportable segment as per Indian Accounting Standard - 108 'Operating Segments'. All the assets are located in the company's country domicile.

Particulars	Year Ended on 31st March 2021	Year Ended on 31st March 2020
Revenue from		
-Outside India	188.05	2,422.04
-In India	29,903.14	38,361.87

Single customer contributed 10% or more to the company's revenue for 2020-21 Amounting to Rs. 15085.96 Lakh (Including GST) and in 2019-20 amounting to Rs. 17282.09 Lakh. (Including GST)

33. Financial and derivative instruments**- Capital Management**

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

Notes forming part of the Financial Statements

The company's Board of director's reviews the capital structure on regular basis. As part of this review the board considers the cost of capital risk associated with each class of capital requirements and maintenance of adequate liquidity.

Disclosures

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized in respect of each class of financial asset, financial liability and equity instrument are disclosed in note given hereunder:

(i) Categories of Financial Instruments

(Amount in ₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial Assets		
Measured at Amortised Cost		
(i) Trade and Other Receivables	8919.95	12249.57
(ii) Cash and Cash Equivalents	132.47	61.59
(iii) Loans	3.22	7.19
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	12419.66	14591.72
(ii) Trade Payables	6499.60	6860.14
(iii) Other Financial Liabilities	2346.01	1623.95

(ii) Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets.

Fair Value of financial assets and liabilities that are not measured at fair value (but fair value disclosures are required).

Management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(iii) Financial Risk Management Objectives

While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's financial management committee also monitors and manages key financial risks relating to the operations of the Company by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and price risk), credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate, currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, etc.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

Interest Rate Risk

The Company's interest rate risk arises from the Long Term Borrowings with fixed rates. The Company's fixed rates borrowings are carried at amortised cost.

Liquidity Risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due.

Notes forming part of the Financial Statements

Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(Amount ₹ in lakhs.)

Particulars	Due in 1 Year	1 Year - 3 Years	More than 3 Years	Total
As at 31st March, 2021				
Borrowings	22.58	12397.08	--	12419.66
Trade Payables	6317.14	182.46	--	6499.60
Other Financial Liabilities	2301.96	44.05	--	2346.01
Total	8641.68	12623.59	--	21265.27
As at 31st March, 2020				
Borrowings	28.46	14563.26	--	14591.72
Trade Payables	6681.56	178.58	--	6860.14
Other Financial Liabilities	1557.27	66.68	--	1623.95
Total	8267.29	14808.52	--	23075.81

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 3 and 6, as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

(Amount ₹ in Lakhs)

Particulars	Upto 1 Year	1 Year - 3 Years	More Than 3 Years	Total
As at 31st March, 2021				
Loans to Employees	3.22	--	--	3.22
Trade Receivables	8588.66	331.29	--	8919.95
Other Financial Assets	--	--	--	--
Total	8591.88	331.29	--	8923.17
As at 31st March, 2020				
Loans to Employees	7.19	--	--	7.19
Trade Receivables	11965.72	283.85	--	12249.57
Other Financial Assets	--	--	--	--
Total	11972.91	283.85	--	12256.76

34. Disclosures Regarding Employee Benefits

As per Indian Accounting Standard 19 "Employee Benefits" the disclosures are given below:

Defined Contribution Plan

Notes forming part of the Financial Statements

Contribution to defined contribution plan, recognized as expense for the year is as under:

Particulars	2020-21 (Amount Rs in Lakhs)	2019-20 (Amount Rs in Lakhs)
Employers contribution to provident fund	58.94	56.50

(i) Defined Contribution Plan: Employee benefits in the form of Provident Fund are considered as defined contribution plan and the contributions to Employees Provident Fund Organization established under The Employees Provident Fund and Miscellaneous Provisions Act 1952 and Employees State Insurance Act, 1948, respectively, are charged to the profit and loss account of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan: Retirement benefits in the form of Gratuity are considered as defined benefit obligation and are provided for on the basis of third party actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972.

As the Company has not funded its liability, it has nothing to disclose regarding plan assets and its reconciliation.

(iii) Major risk to the plan

I have outlined the following risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of Cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes forming part of the Financial Statements

(iv) Defined Benefit Cost

Particulars	For the year ended 31st March 2019 (Amount Rs in Lakhs)	For the year ended 31st March 2018 (Amount Rs in Lakhs)
Current Service Cost	19.01	18.73
Interest Expense on Defined Benefit Obligation (DBO)	6.21	4.97
Defined Benefit Cost included in Profit and Loss		
Remeasurements - Due to Financial Assumptions	--	1.89
Remeasurements - Due to Demographic Assumptions	--	0.94
Remeasurements - Due to Experience Adjustments	-8.08	8.01
Defined Benefit Cost included in Other Comprehensive Income	-8.08	8.96
Total Defined Benefit Cost in Profit and Loss and OCI	17.14	32.66

(v) Movement in Defined benefit liability:

Particulars	For the year ended 31st March 2021 (Amount Rs in Lakhs)	For the year ended 31st March 2020 (Amount Rs in Lakhs)
Opening Defined Benefit Obligation	101.35	71.74
Interest Expense on Defined Benefit Obligation (DBO)	6.21	4.97
Current Service Cost	19.01	18.73
Total Remeasurements included in OCI	-8.08	8.96
Less: Benefits paid	3.80	3.05
Less: Contributions to plan assets	--	--
Closing benefit obligation	114.69	101.35
Current Liabilities of Closing benefit obligation	25.77	23.46
Non-Current Liabilities of Closing benefit obligation	88.92	77.89

(vi) Sensitivity Analysis of Defined Benefit Obligation:

(Amount ₹ in Lakhs)

	2020-21	2019-20
(A) Discount rate Sensitivity		
Increase by 0.5%	111.97	98.99
(% change)	-2.38%	-2.33%
Decrease by 0.5%	117.56	103.83
(% change)	2.50%	2.45%
(B) Salary growth rate Sensitivity		
Increase by 0.5%	117.56	103.81
(% change)	2.50%	2.43%
Decrease by 0.5%	111.93	98.96
(% change)	-2.41%	-2.35%
(C) Withdrawal rate (W.R.) Sensitivity		
W.R. x 110%	114.24	100.83
(% change)	-0.39%	-0.51%
W.R. x 90%	115.11	101.84
(% change)	0.36%	0.48%

(vii) Actuarial assumptions:

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Discount Rate (per annum)	6.25%	6.25%
Rate of escalation in salary (per annum)	5.00%	5.00%
Withdrawal rate	30% at younger ages reducing to 5% at older ages	30% at younger ages reducing to 5% at older ages

(viii) The above details are certified by the actuary.

Notes forming part of the Financial Statements

35 RELATED PARTY DISCLOSURES:

List of Related Parties and Relationships:

i. Concern where significant interest exists.

Name of the Concern	Nature of Relationship
Shah Alloys Limited	Promoter Group Company
SAL Care Private Limited	Promoter Group Company
SAL Corporation Pvt Ltd	Promoter Group Company

ii. Key Management Personnel:

Name of the Key Management Personnel	Nature of Relationship
Shri Rajendra V Shah	Chairman
Shri Sujal A Shah	Executive Director
Shri B M Singhal	Whole Time Director Cum CFO
Shri Anil Pandya (Till 30.08.2020)	Whole Time Director
Shri J.P. Goyal (From 11.09.2020)	Whole Time Director
Shri Manish Daulani	Company Secretary

(Related Parties have been identified by the Management)

(a) Disclosure of Related Party Transactions (Amount Rs In lakhs)

Sr No.	Related Party	Nature of Transaction	2020-21	2019-20
1.	Shah Alloys Limited	Purchases	349.20	504.96
		Sales (Incl Power)	15085.96	17282.09
		Rent Income	9.60	11.33
		Balance as at the year end	7918.09	11216.67
2.	SAL Care Pvt Ltd	Loan taken	580.00	80.00
		Loan repaid	580.00	300.00
		Interest	9.38	9.16
		Balance as at the year end	8.67	14.56
Key Management Personnel				
3.	Mr. Sujal Shah	Salary	3.96	4.32
4.	Mr. B.M Singhal	Salary	4.60	4.86
5.	Mr. Anil Pandya	Salary	1.82	4.48
6.	Mr. Manish Daulani	Salary	4.63	5.03
7.	Mr. J.P.Goyal	Salary	14.27	-

The remuneration of directors and other members of Key management personal during the year is as follows :

(Amount ₹ in Lakhs)

Particulars	2020-21	2019-20
Short term Benefits	29.28	18.69

36. Certain Balance of Debtors, Creditors, are non- moving / sticky since last 3 years. However in view of the management, the same is recoverable / payable. Hence no provision for the same is made in the books of accounts.
37. The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.
38. In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business and the provisions for depreciation and all known and ascertained liabilities are adequate and not in excess of the amounts reasonably necessary.
39. In accordance with the Indian Accounting Standard (Ind AS-36) on "Impairment of Assets" the Company during the year carried out an exercise of identifying the assets that may have been impaired in respect of cash generating unit in accordance with the said Indian Accounting Standard. Based on the exercise, no impairment loss is required as at 31st March, 2021.
40. The Company has re-classified previous year figures to conform to this year's classification. Previous year figures have been re-grouped / rearranged, wherever necessary to make them comparable with those of current year.

Notes forming part of the Financial Statements

41. The financial statements were authorized for issue by the directors on 30th June 2021.
42. The outbreak of COVID-19 pandemic globally and in India caused significant disturbance and slowed down economic activity in general. The company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption possible. The company has assessed internal and external information upto the date of approval of the financial statements while reviewing the recoverability of assets, adequacy of financial resources, performance of contractual obligations, ability to service the debt, liabilities, etc. Based on such assessment, the company expects to fully recover the carrying amounts of the assets and comfortably discharge its debts & obligations. Hence, the management does not envisage any material impact on its financial statements. Further, the company will continue to closely monitor any material changes to future economic conditions. As the COVID-19 situation continues to evolve in India and globally, the impact on future operations would depend upon how the uncertainties associated with pandemic's nature and duration unfold.
43. Corporate Social Responsibility contribution-
- (a) Gross amount required to be spent by the company during the year Rs 41.59 lakhs (Previous year Rs NIL)
- (b) Amount spent during the year on:

Particulars	Year	Amount spent	Amount yet to be spent	Total
(i) Construction/acquisition of any asset	2020-21	Nil	Nil	Nil
(ii) On purposes other than (i) above	2020-21	Nil	41.59	41.59

44. During the year under review the company has received SGST Refund of Rs 609.65 lakhs and Electricity refund of Rs 1556.70 lakhs and the same has been credited to Other income in the Statement of Profit and loss account.

(Amount in ₹ in lakhs)

45 TAX RECONCILIATION	For the Year Ended	For the Year Ended
Income taxes recognised in Statement of Profit and Loss	March 31, 2021	March 31, 2020
Current tax		
In respect of the current year	229.47	-
(Excess)/Short provision for tax of earlier years	-	-
	229.47	-
Deferred tax(credit) /Charged	(142.79)	119.42
Total income tax expense recognised in respect of continuing operations	86.67	119.42

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Amount in ₹ in lakhs)

Particulars	For the Year Ended	For the Year Ended
	March 31, 2021	March 31, 2020
Profit before taxes	1,242.07	1,706.42
Enacted tax rate in India	25.168%	25.168%
Expected income tax benefit/(expense) at statutory tax rate	-	-
Current Tax expenses on Profit before tax expenses at the enacted income tax rate in India	312.60	429.47
Non deductible expenses for Tax Purpose	242.47	209.56
Deductible Expenses for Tax purposes	(325.61)	(639.03)
	229.47	(0.00)
Effect of:		
Timing Difference of Depreciation (Deferred tax liability)	(76.38)	(33.82)
43B Differences (Deferred tax assets)	219.17	(85.60)
	142.79	(119.42)
Income taxes recognised in the Statement of Profit and Loss	(86.67)	(119.42)

The tax rate used for the 2020-21 is corporate tax rate of 22% plus surcharge @ 10% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws. Tax Rate for FY 2019-20 is the corporate tax rate of 22% plus surcharge @ 10% and cess @ 4% payable by corporate entities in India on taxable profits under the Indian tax laws.

Notes forming part of the Financial Statements

Income tax recognised in other comprehensive income

(Amount ₹ in lakhs.)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	2.03	(3.13)
Total income tax recognised in other comprehensive income	2.03	(3.13)
Bifurcation of the income tax recognised in other comprehensive income into:-		
Items that will not be reclassified to Statement of Profit and Loss	2.03	(3.13)
Income tax recognised in other comprehensive income	2.03	(3.13)

Note: Deferred tax liability has been calculated using effective tax rate of 25.168%

Components of deferred tax assets and liabilities

(Amount ₹ in lakhs.)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
(a) Deferred tax liabilities		
Difference between book and tax depreciation	1,914.23	2,070.43
	1,914.23	2,070.43
(b) Deferred tax assets		
Disallowances of employee benefits u/s. 43B of the Income Tax	66.93	82.37
	66.93	82.37
Deferred Tax Liabilities (Net)	1,847.30	1,988.06

(Amount in ₹ in lakhs)

46 IND AS 115- Illustrative disclosures	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
The Company has recognised the following amounts relating to revenue in the statement of profit or loss:		
Revenue from contracts with customers	30,091.20	40,783.91
Total revenue	30,091.20	40,783.91

Revenue is recognized upon transfer of control of products to customers

(a) Disaggregation of revenue from contract with customers

Revenue from sale of products represents revenue generated from external customers which is attributable to the company's country of domicile i.e. India and external customers outside India as under:

(Amount in ₹ in lakhs)

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from		
- Outside India	188.05	2,422.04
- In India	29,903.15	38,361.87

Single customer contributed 10% or more to the company's revenue for 2020-21 Amounting to Rs.15085.96 Lakh (Including GST) and in 2019-20 amounting to Rs. 17282.09 Lakh. (Including GST)

b) Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities

(Amount in ₹in lakhs)

	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Contract Assets	8,919.94	12,249.57
Total contract assets	8,919.94	12,249.57
Contract liability	24.13	106.26
Total contract liabilities	24.13	106.26

(c) Performance obligations

The performance obligation is satisfied upon delivery of the finished goods and payment is generally due within 1 to 3 months from delivery. The performance obligation to deliver the finished goods is started after receiving of sales order. The customer can pay the transaction price upon delivery of the finished goods within the credit period, as mentioned in the contract with respective customer.

The accompanying Notes 1 to 46 are integral part of these Standalone Ind AS Financial Statements.

As per our report of even date attached.

For Parikh & Majmudar
Chartered Accountants
 (Firm Regn.No.107525W)
 UDIN:21040230AAAAGZ2539
 Sd/-
CA Dr. Hiten Parikh
 Partner
 Membership No.040230
 PLACE : AHMEDABAD
 DATE : 30th June, 2021

For and on behalf of the Board of Directors,
SAL Steel Limited

Sd/-
[Rajendra V Shah]
 Chairman
 (DIN : 00020904)
 Sd/-
[J.P. GOYAL]
 Whole Time Director
 (DIN : 08874805)

Sd/-
[B L Singhal]
 Whole Time Director & C F O
 (DIN : 01484213)
 Sd/-
[Manish Daulani]
 Company Secretary



SAL STEEL LIMITED

If undelivered please return to
Administrative Office
Corporate House, Sola-Kalol Road,
Santej - 382 721. Ta. Kalol, Dist.-Gandhinagar
www.salsteel.co.in
CIN: L29199GJ2003PLC043148

