

**SUNFLAG IRON AND STEEL COMPANY LIMITED****REGISTERED OFFICE : 33, MOUNT ROAD, SADAR, NAGPUR - 440 001**

Corporate Identification Number (CIN) – L 27100 MH 1984 PLC 034003

Tel No. + 91 712 2524661 / 2520356-7-8, Fax No. + 91 712 2520360, E-Mail ID : investor@sunflagsteel.com, Website : www.sunflagsteel.com

**NOTICE**

**NOTICE** is hereby given that the **Twenty-ninth (29<sup>th</sup>)** Annual General Meeting of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Friday, the 25<sup>th</sup> day of September, 2015 at 3.00 P. M.** at Indian Medical Association's J. R. Shaw Auditorium, North Ambazari Road, Nagpur - 440010 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the year ended 31<sup>st</sup> March 2015, the Balance Sheet as at that date, Statement of Profit and Loss and Cash Flow Statement for the financial year ended 31<sup>st</sup> March 2015, together with the Board's Reports and Statutory Auditors thereon.
2. To appoint a Director in place of Mr. Pranav Bhardwaj (DIN - 00054805), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Re-appointment of Messers Patel, Shah & Joshi, Chartered Accountants, Mumbai (ICAI-Firm Registration No.107768W) as the Statutory Auditors of the Company**

"RESOLVED THAT pursuant to Section 139, 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, Messers Patel, Shah & Joshi, Chartered Accountants, Mumbai (ICAI Firm Registration No. 107768W), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, at a remuneration as decided by the Committee of the Board or Board of Directors of the Company."

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Appointment of Mrs. Neelam Kothari (DIN : 06709241) as a Non-executive, Independent Director of the Company**

"RESOLVED THAT in accordance with the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013, Schedule IV to the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications and/or re-enactment for the time being in force) and pursuant to provisions of the Listing Agreement/s, Mrs. Neelam Kothari (DIN : 06709241), in respect of whom the Company has received a Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of the Director, be and is hereby appointed as a Non-executive, Independent Director of the Company to hold the office for a fixed term of five (5) consecutive years i.e. from the conclusion of 29<sup>th</sup> Annual General Meeting up to the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020."

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Revision in remuneration of Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) as the Vice-Chairman & Managing Director of the Company**

"RESOLVED THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), the Company do hereby approve the revision in the terms of appointment / re-appointment (viz. remuneration payable to the managerial personnel), of Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) as the Vice-Chairman & Managing Director of the Company, effective 1<sup>st</sup> April, 2014 upto 12<sup>th</sup> August, 2015, as set out in the explanatory statement annexed hereto, with a liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and/or any modifications/ amendments thereof.

FURTHER RESOLVED THAT the Committee and/or Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution."

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Revision in remuneration of Mr. Pranav Bhardwaj (DIN : 00054805) as the Joint Managing Director of the Company effective 1<sup>st</sup> April, 2014 and Re-designation as the Managing Director of the Company effective 12<sup>th</sup> August, 2015**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), the Company do

hereby approve the revision in the terms of appointment / re-appointment (viz. remuneration payable to the managerial personnel), of Mr. Pranav Bhardwaj (DIN : 00054805) as the Joint Managing Director of the Company, effective 1<sup>st</sup> April, 2014 upto 12<sup>th</sup> August, 2015 as set out in the explanatory statement annexed hereto,

FURTHER RESOLVED THAT in partial modification of the resolution passed by the members of the Company at its 24<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September 2010, Mr. Pranav Bhardwaj (DIN : 00054805) who was earlier appointed/re-appointed as the Joint Managing Director of the Company be and is hereby re-designated as the Managing Director of the Company effective 12<sup>th</sup> August 2015 till the end of his tenure of existing appointment/re-appointment on the same terms and conditions subject to revision in remuneration as aforesaid, with a liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and/or any modifications/ amendments thereof.

FURTHER RESOLVED THAT In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN : 00054805) as the Joint Managing Director/Managing Director (as the case may be) of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

FURTHER RESOLVED THAT the Committee and/or Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Revision in remuneration of Mr. Surendra Kumar Gupta (DIN : 00054836) as the Whole-time Director designated as the Director & CEO of the Company effective 1<sup>st</sup> April, 2014 and Re-designation as the Deputy Managing Director of the Company effective 12<sup>th</sup> August, 2015**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), the Company do hereby approve the revision in the terms of appointment/reappointment (viz. remuneration payable to the managerial personnel), of Mr. Surendra Kumar Gupta (DIN : 00054836) as the Whole-time Director designated as the Director & CEO of the Company, effective 1<sup>st</sup> April, 2014 upto 12<sup>th</sup> August 2015, as set out in the explanatory statement annexed hereto.

FURTHER RESOLVED THAT in partial modification of the resolution passed by the members of the Company at its 26<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September 2012, Mr. Surendra Kumar Gupta (DIN : 00054836) who was earlier appointed/re-appointed as the Whole-time Director designated as the Director & CEO of the Company be and is hereby re-designated as the Deputy Managing Director of the Company effective 12<sup>th</sup> August, 2015 till the end of his tenure of existing appointment / re-appointment on the same terms and conditions subject to revision in remuneration as aforesaid, with a liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 and/or any modifications / amendments thereof.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Surendra Kumar Gupta (DIN : 00054836) as the Whole-time Director designated as the Director & CEO / Deputy Managing Director, (as the case may be) of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

FURTHER RESOLVED THAT the Committee and/or Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Appointment of Mr. Pranav Bhardwaj (DIN : 00054805) as the Managing Director of the Company for a further period of five (5) years effective 17<sup>th</sup> January, 2016**

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force), the Company do hereby approve the re-appointment of Mr. Pranav Bhardwaj (DIN : 00054805) as the Managing Director of the Company, for a further period of five (5) years effective 17<sup>th</sup> January, 2016 on the terms and conditions including payment of existing remuneration (revised effective 1<sup>st</sup> April, 2014) as minimum remuneration as set out in the explanatory statement annexed hereto, with liberty to the Board of Directors including any Committee thereof to revise, amend, alter, vary and implement the terms and conditions of re-appointment including payment of remuneration in such manner and as may be permitted in accordance with the provisions of the Companies Act, 2013 read with Schedule V and/or any modifications/ amendments thereof.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN : 00054805) as the Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

FURTHER RESOLVED THAT the Committee and/or Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

**Ratification of Remuneration of Cost Auditors of the Company**

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications and/or re-enactment thereof, for the time being in force, M/s G R Paliwal & Company, Cost Accountants, Nagpur, (Membership No. 7815) whose appointment as the Cost Auditors of the Company for the financial year 2015-2016 has been duly approved by the Board of Directors based on the recommendations of the Audit Committee of the Board of the Company, be paid a sum ₹ 175,000 (₹ One Lac Seventy Five Thousand) plus service tax as applicable and reimbursement of actual out of pocket expenses, as a remuneration for audit of cost records of the Company for the financial year 2015-2016, as recommended by the Board of Directors based on the recommendations of the Audit Committee of the Board of the Company, be and are hereby ratified.”

10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution :

**Adoption of new set of Articles of Association of the Company *inter-alia* pursuant to the Companies Act, 2013**

“RESOLVED THAT pursuant to the provisions of Section 5 and 14 of Companies Act, 2013 (‘the Act’), Schedule I made there under, read with the Companies (Incorporation) Rules, 2014 and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted before this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do and perform all such acts, deeds, matter and things as may be considered desirable or expedient to give effect to this resolution.”

By Order of the Board

**CS Pranab Panigrahi**  
Company Secretary  
Membership No. ACS - 16186

**Nagpur**  
12<sup>th</sup> August 2015

**NOTES :**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY, SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.**

A Proxy submitted on behalf of the Company, Trust or Society (Institutional Investors) must be supported by an appropriate Resolution or Authority, as applicable. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a member holding more than 10% (ten percent) of the total Share Capital of the Company carrying voting rights, then such proxy shall not act as proxy for any other person or shareholder.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item Nos. 4, 5, 6, 7, 8, 9 and 10 are annexed hereto and form part of the Notice.
2. All documents referred to in the Notice including Explanatory Statement thereof, will be available for inspection by Members during working hours on any working day till the date of the Annual General Meeting at the Registered Office of the Company and also at the place of the Meeting at the scheduled time of Annual General Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 19<sup>th</sup> Day of September, 2015 to Friday, the 25<sup>th</sup> Day of September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to send their queries, if any, in writing at least 10 days in advance of the date of the meeting to the Company at its Registered Office.
5. Members / Proxies are requested to bring the attendance slip attached at page 82, duly filled in, for attending the meeting.

**6. DEMATERIALISATION OF SHARES**

This is to inform that about **59.491%** of the total Equity Shares have already been dematerialized as of 31<sup>st</sup> March, 2015. The Shareholders who have not dematerialised their Equity Shareholding may opt the same accordingly.

**7. REGISTRAR & SHARE TRANSFER AGENT**

**M/s. Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400072** have been appointed by the Company as the Registrar and Share Transfer Agent effective 31<sup>st</sup> March, 2003. Therefore,

Depository Participants / Shareholders / Investors of the Company are advised to send all documents / correspondence such as requests for Dematerialisation of Shares, Transfer of Shares, Change of Address, Registration of e-mail id, Change of Bank Mandate / NECS and other Shares related documents to M/s. Bigshare Services Private Limited at the above mentioned address only.

#### 8. CHANGE OF INFORMATION / BANK MANDATE

The Members / Shareholders holding Equity Shares in physical form are requested to notify / update any Change in their Address, Bank Mandate e.g. Name of Bank, Branch Address, Account Number and MICR / IFS Code to the Registrar and Share Transfer Agent and/or the Company or to their respective Depository Participants (DP), if the Shares are held in Demat mode.

#### 9. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The dividend declared by the Company which remains unpaid / unclaimed for a period of seven (7) years is required to be transferred to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 124(5) of the Companies Act, 2013.

As such, the details of dividends remaining unpaid / unclaimed for Seven (7) years and subsequently its transfer to IEPF Account of Central Government is as under :

S. N.	Date of AGM	Date of Transfer to IEPF	Amount (₹)
1	Twentieth (20 <sup>th</sup> ) - 28 <sup>th</sup> September 2006	27 <sup>th</sup> September 2013	1,592,685.00
2	Twenty-first (21 <sup>st</sup> ) - 25 <sup>th</sup> September 2007	24 <sup>th</sup> September 2014	1,171,767.00

Moreover, the dividend for the financial year 2007 - 2008 declared at Twenty-second (22<sup>nd</sup>) Annual General Meeting held on 23<sup>rd</sup> September, 2008 remaining unpaid / unclaimed is due for transfer to the credit of IEPF on 22<sup>nd</sup> September, 2015. The Members are requested to claim their unpaid / unclaimed Dividend(s), if any, declared and paid for the financial years 2008 - 2009, 2009 - 2010 and 2010 - 2011 including for financial year 2007 - 2008 (upto 22<sup>nd</sup> September, 2015).

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules 2012, the Company has uploaded the details of unpaid and unclaimed dividend lying as on 26<sup>th</sup> September, 2014 (date of last Annual General Meeting) on the Company's website [www.sunflagsteel.com](http://www.sunflagsteel.com) as also on the Ministry of Corporate Affairs' website.

10. The Securities and Exchange Board of India vide its circular no. CIR/CFD/DIL/10/2010 dated 16<sup>th</sup> December 2010, amended clause 5A of the Listing Agreement for dealing with unclaimed shares in physical form. In compliance with this amendment, the Company has sent all three reminders to such shareholders whose share certificates are in undelivered form and requesting them to update their correct details viz. postal addresses, PAN details etc. registered with the Company. The Company has transferred all the shares into the folio in the name of **"Sunflag Iron and Steel Company Limited - Unclaimed Suspense Account"**.

#### 11. GREEN INITIATIVE

**As a responsible corporate citizen, your Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India. We strongly urge you to support this 'Green Initiative' by opting for electronic mode of communication and making the world a cleaner, greener and healthier place to live.**

**The members who have not registered their e-mail address, so far, are requested to register their e-mail address with the Company, Registrar and Share Transfer Agent or Depository Participant (DP), as the case may be.**

#### 12. E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

**The instructions for members for voting electronically are as under :**

##### l) In case of members receiving e-mail :

- a) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- b) Click on "Shareholders" tab.
- c) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- d) Now Enter your User ID
  - i) For CDSL : 16 digits beneficiary ID,
  - ii) For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.

- e) Next enter the Image Verification as displayed and Click on Login.
- f) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- g) If you are a first time user, then follow the steps given below :

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB #	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.
Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .	

- h) After entering these details appropriately, click on "SUBMIT" tab.
- i) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- l) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- q) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**II) In case of members receiving the physical copy :**

- Please follow all steps from Serial No. (a) to Serial No. (q) above to cast vote.

- III) The e-voting period begins on **Tuesday, the 22<sup>nd</sup> September, 2015 at 10:00 Hrs.** and ends on **Thursday, the 24<sup>th</sup> September, 2015 at 17:00 Hrs.** During this period Shareholders' of the Company, holding Equity Shares either in physical form or in dematerialised (demat) form, as on the cut-off date of **Friday, the 18<sup>th</sup> September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- IV) In case of any queries or issues regarding e-voting, members may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or Toll-free No. 1800 200 5533.
- V) The Board of Directors has appointed CS Mukesh D Parakh, Company Secretary in Practice (Membership No. FCS - 4343 & Certificate of Practice No. 13693) as a Scrutinizer to process the e-voting (including voting through ballot form received from members) and voting at the venue of the Annual General Meeting in a fair and transparent manner.
- VI) CS Pranab Panigrahi (Membership No. ACS - 16186) Company Secretary of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting.
- VII) The Notice of the Annual General Meeting will be sent to all the Members, whose names appear in the Register of Members as on cut-off date i. e. Friday, the 18<sup>th</sup> September, 2015 through e-mail, if registered else by any of the permitted mode. The Members may also download a copy of the Notice from the Website of the Company [www.sunflagsteel.com](http://www.sunflagsteel.com).
- VIII) The Members of the Company, holding Equity Shares either in physical form or in dematerialized (demat) form as on Friday, the 18<sup>th</sup> September, 2015 and not casting their vote electronically, may only cast their vote at the Annual General Meeting. The voting rights of shareholders shall be in proportion to their shareholding of paid-up share capital of the Company as on Friday, the 18<sup>th</sup> September, 2015.
- IX) Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or physical mode. If you are opting for e-voting, then do not vote by physically also. However, in case shareholder cast their vote through e-voting as well as physically, then voting done through e-voting will prevail.
- X) The results of voting shall be declared within three (3) days of the Annual General Meeting. The results of voting so declared along with the Scrutinizer's Report shall be placed on the Company's Website [www.sunflagsteel.com](http://www.sunflagsteel.com), CDSL Website and shall also be communicated to the Stock Exchanges (BSE & NSE).

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

##### **ITEM NO. 4 :**

The Board of Directors at their meeting held on 26<sup>th</sup> September 2014, based on the recommendation of Nomination and Remuneration Committee, has considered and approved the appointment of Mrs. Neelam Kothari (DIN - 06709241) as an Additional Director (Non-executive, Independent) of the Company effective 29<sup>th</sup> September, 2014 to hold the office till the conclusion of ensuing Annual General Meeting.

Further, Mrs. Neelam Kothari (DIN - 06709241) is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given consent to act as a Director of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Neelam Kothari (DIN - 06709241) for the office of the Director of the Company. The brief profile of Mrs. Neelam Kothari (DIN - 06709241) is given in the Board's Report and forms part of the Notice.

It is proposed to appoint Mrs. Neelam Kothari (DIN - 06709241) as a Non-executive, Independent Director under Section 149, 152 of the Act and provisions of the Listing Agreement/s to hold the office for a fixed term of consecutive five (5) years i.e. from the conclusion of 29<sup>th</sup> Annual General Meeting up to the conclusion of 34<sup>th</sup> Annual General Meeting of the Company in the calendar year 2020.

Mrs. Neelam Kothari (DIN - 06709241) may be deemed to be interested in the Resolution set out at Item No. 4 of the Notice with regard to her appointment as Non-executive Independent Director of the Company.

Except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

##### **ITEM NOS. 5, 6 & 7 :**

The Members will recall the terms and conditions of appointment including re-appointment of, and remuneration payable to, Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) (Vice-Chairman & Managing Director), Mr. Pranav Bhardwaj (DIN - 00054805) (Joint Managing Director) and Mr. Surendra Kumar Gupta (DIN - 00054836) (Whole-time Director designated as the Director & CEO), as to their respective office/s were duly approved by the Members by ordinary resolutions at the Twenty-second (22<sup>nd</sup>), Twenty-fourth (24<sup>th</sup>) and Twenty-sixth (26<sup>th</sup>) Annual General Meeting/s held on 23<sup>rd</sup> September 2008, 23<sup>rd</sup> September, 2010 and 25<sup>th</sup> September 2012, respectively and by special resolutions at the Twenty-seventh (27<sup>th</sup>) Annual General Meeting held on 25<sup>th</sup> September 2013, pursuant to the provisions of Section 198, 269, 309, 310 & 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the Act as well as in accordance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, wherever applicable.

During last couple of years, there was no upward revision in the remuneration payable to the managerial personnel, as the Company was passing through the difficult times. However, during this period, there is an improvement in overall performance including financials of the Company.

In view of this, the Nomination and Remuneration Committee at its meeting held on 19<sup>th</sup> March, 2015 recommended to Board and in turn, the Board at its meeting held on 19<sup>th</sup> March, 2015 has approved and recommended the following revision in remuneration to members for their approval.

The details of revision of terms of appointment viz remuneration payable to the managerial personnel effective 1<sup>st</sup> April, 2014 to the concerned managerial personnel of the Company, are as follows :

**a) Mr. Ravi Bhushan Bhardwaj - (DIN - 00054700) Vice-Chairman & Managing Director**

**Basic Salary :** ₹ 590,000/- (₹ Five Lacs Ninety Thousand) per month, with suitable annual increase as may be decided by the Committee / Board from time to time.

**Commission :** @2% of Net Profits of the Company as computed in accordance with the provisions of the Act.

**Perquisites :** Rent free furnished accommodation with all facilities and amenities or fixed House rent allowance of ₹ 250,000/- (₹ Two Lacs Fifty Thousand) per month, reimbursement of all medical expenses/medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, contributions to the provident fund, leave travel concessions, leave encashment and other benefits, reimbursement of business expenses, and all other benefits / allowances as per rules of the Company.

*Explanation : For the purpose of calculation of perquisites, in absence of anything to the contrary, the rules of the Company governing the employment of the Company will be applicable.*

**Minimum Remuneration :** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Ravi Bhushan Bhardwaj (DIN : 00054700) as the Vice-Chairman & Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

**b) Mr. Pranav Bhardwaj - (DIN - 00054805) - Joint Managing Director**

**Basic Salary :** ₹ 515,000/- (₹ Five Lacs Fifteen Thousand) per month, with suitable annual increase as may be decided by the Committee / Board from time to time.

**Commission :** @2% of Net Profits of the Company as computed in accordance with the provisions of the Act.

**Perquisites :** Rent free furnished accommodation with all facilities and amenities or fixed House rent allowance of ₹ 200,000/- (₹ Two Lacs) per month, reimbursement of all medical expenses/medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, contributions to the provident fund, superannuation and annuity fund, leave travel concessions, leave encashment, gratuity and other retirement benefits, reimbursement of business expenses, and all other benefits / allowances as per rules of the Company.

*Explanation : For the purpose of calculation of perquisites, in absence of anything to the contrary, the rules of the Company governing the employment of the Company will be applicable.*

**Minimum Remuneration :** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN : 00054805) as the Joint Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

**c) Mr. Surendra Kumar Gupta - (DIN - 00054836) (Whole-time Director designated as the Director & CEO)**

**Basic Salary :** ₹ 310,000/- (₹ Three Lacs Ten Thousand) per month, with suitable annual increase as may be decided by the Committee / Board from time to time.

**Perquisites and benefits :** As per the Company rules as applicable from time to time.

**Minimum Remuneration :** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Surendra Kumar Gupta (DIN - 00054836) as the Whole-time Director designated as the Director & CEO of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

Further, the Board of Directors of the Company at its meeting held on 12<sup>th</sup> August, 2015 has approved the change in designation of the managerial personnel of the Company as follows :

- i. Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) is ceased to be the Managing Director of the Company and accordingly, re-designated as the Non-executive Vice-Chairman of the Company effective 12<sup>th</sup> August, 2015.
- ii. Mr. Pranav Bhardwaj (DIN - 00054805), Joint Managing Director is re-designated as the Managing Director of the Company effective 12<sup>th</sup> August, 2015.

iii. Mr. Surendra Kumar Gupta (DIN - 00054836) Whole-time Director designated as the Director & CEO is re-designated as the Deputy Managing Director of the Company effective 12<sup>th</sup> August, 2015

In view of aforesaid change in designation of the managerial personnel of the Company, the revision of remuneration of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) as the Vice-Chairman & Managing Director of the Company is restricted up to 12<sup>th</sup> August, 2015. However, the revision in remuneration in other cases, is effective 1<sup>st</sup> April, 2014 till the end of tenure of existing appointment/re-appointment in their respective capacity/designation.

Accordingly, consent of the members of the Company is sought for :

- a) revision of remuneration payable effective 1<sup>st</sup> April, 2014 up to 12<sup>th</sup> August, 2015 in respect of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) as the Vice-Chairman & Managing Director of the Company; and,
- b) revision of remuneration payable effective 1<sup>st</sup> April, 2014 till the end of tenure of existing appointment/re-appointment and re-designation effective 12<sup>th</sup> August, 2015 in respect of Mr. Pranav Bhardwaj (DIN - 00054805) Joint Managing Director/ Managing Director (as the case may be) of the Company; and,
- c) revision of remuneration payable effective 1<sup>st</sup> April, 2014 till the end of tenure of existing appointment/re-appointment and re-designation effective 12<sup>th</sup> August, 2015 in respect of Mr. Surendra Kumar Gupta (DIN - 00054836) Whole-time Director designated as the Director & CEO/Deputy Managing Director (as the case may be) of the Company.

This explanatory statement may be treated as an abstract of terms of appointment/re-appointment including payment of remuneration to managerial personnel between the Company and Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Mr. Pranav Bhardwaj (DIN - 00054805) and Mr. Surendra Kumar Gupta (DIN - 00054836) respectively.

Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), Mr. Pranav Bhardwaj (DIN - 00054805) and Mr. Surendra Kumar Gupta (DIN - 00054836) (being the beneficiaries) and Mr. P. B. Bhardwaj (DIN - 00136076) (being the relative), are deemed to be concerned or interested in the aforesaid resolution/s. Except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, are concerned or interested, financially or otherwise, in the aforesaid resolution/s.

#### **Item No. 8 :**

Mr. Pranav Bhardwaj (DIN - 00054805) was appointed as the Joint Managing Director of the Company for three (3) terms of five (5) years effective from 17<sup>th</sup> January 2001; 17<sup>th</sup> January, 2006 & 17<sup>th</sup> January, 2011 and subsequently, re-designated as the Managing Director of the Company effective 12<sup>th</sup> August 2015 accordingly, the existing term expires on 16<sup>th</sup> January, 2016.

Keeping in view his unstinted efforts and wide contributions which resulted in increase in the Company's overall performance and financial results, the Nomination and Remuneration Committee at its meeting held on 12<sup>th</sup> August, 2015 considered and recommended to the Board and in turn, the Board of Directors at its meeting held on 12<sup>th</sup> August, 2015 recommended to the Shareholders for their approval, the re-appointment of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company for a further period of five (5) years effective from 17<sup>th</sup> January, 2016 on the following terms and condition including remuneration payable thereof.

**Basic Salary :** ₹ 515,000/- (₹ Five Lacs Fifteen Thousand) per month, with suitable annual increase as may be decided by the Committee/ Board from time to time.

**Commission :** @2% of Net Profits of the Company as computed in accordance with the provisions of the Act.

**Perquisites :** Rent free furnished accommodation with all facilities and amenities or fixed House rent allowance of ₹ 200,000/- (₹ Two Lacs) per month, reimbursement of all medical expenses/medical allowance, subscription to two clubs, personal insurance, use of car with driver, telephone at residence, contributions to the provident fund, superannuation and annuity fund, leave travel concessions, leave encashment, gratuity and other retirement benefits, reimbursement of business expenses, and all other benefits/allowances as per rules of the Company.

*Explanation : For the purpose of calculation of perquisites, in absence of anything to the contrary, the rules of the Company governing the employment of the Company will be applicable.*

**Minimum Remuneration :** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Pranav Bhardwaj (DIN - 00054805) as the Managing Director of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013 and be paid as the minimum remuneration.

#### **Other Information :**

1. **Background details :** Mr. Pranav Bhardwaj (DIN - 00054805) (aged about 41 years) hails from a renowned family of industrialists and an industrial entrepreneur himself. He is a dynamic new generation industrialist. He has graduated as B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the world renowned Imperial College of London. He has over twenty (20) years of experience in Steel and Textile industry. He is associated with the Company since year 1995.
2. **Past remuneration :** Basic Salary of ₹ 420,000/- (₹ Four Lacs Twenty Thousand) per month plus Commission @2% of net profits and Perquisites as per Company's Rules for managerial personnel.
3. **Recognition or awards :** (i) Vice-Chairman of Alloy Steel Producers of India (ASPA) since 2009; (ii) Managing Committee Member of The Associated Chamber of Commerce & Industry of India (ASSOCHEM) during the period 2009-2010.



4. **Job profile and his suitability** : Subject to the superintendence, control and direction of the Board of Directors, Mr. Pranav Bhardwaj (DIN-00054805) is assisting Vice-Chairman (Erstwhile Vice-Chairman & Managing Director) in the smooth functioning of the Company. The Company has made good growth under his leadership.
5. **Remuneration proposed** : Basic Salary : ₹ 515,000/- (₹ Five Lacs Fifteen Thousand) per month, with suitable annual increase as may be decided by the Committee/ Board from time to time plus Commission @2% of net profits and Perquisites as more specifically described in the explanatory statement.

The terms and conditions of appointment including the remuneration payable to Mr. Pranav Bhardwaj (DIN-00054805) is well within the ceiling as laid down under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force).

The Board having considered his qualifications, experience and responsibilities recommended for approval of the Shareholders, the re-appointment of Mr. Pranav Bhardwaj (DIN-00054805) as the Managing Director of the Company for a further period of five (5) years effective from 17<sup>th</sup> January, 2016 in the interest of the Company.

This explanatory statement may be treated as an abstract of terms of appointment between Mr. Pranav Bhardwaj (DIN-00054805) and the Company.

Since Mr. P. B. Bhardwaj (DIN-00136076) and Mr. Ravi Bhushan Bhardwaj (DIN-00054700), Directors are related to Mr. Pranav Bhardwaj (DIN-00054805) they are deemed to be interested in the resolution. Except Mr. Pranav Bhardwaj (DIN-00054805) for himself, Mr. P. B. Bhardwaj (DIN-00136076) and Mr. Ravi Bhushan Bhardwaj (DIN-00054700), no other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 9 :**

On recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on 30<sup>th</sup> May, 2015 appointed M/s G R Paliwal & Company, Cost Accountant, Nagpur (Membership No. 7815) as the Cost Auditors of the Company for the financial year 2015-2016 to audit cost records of the Company at a remuneration of ₹ 175,000/- (₹ One Lacs Seventy Five Thousand Only) plus service tax as applicable and reimbursement of actual out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Board of Directors, is subject to ratification by the shareholders / members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the resolution for ratification of the members in the interest of the Company.

**Item No. 10:**

The Articles of Association ("AoA") of the Company is presently in force since its incorporation except certain alteration/amendments and are based on the Companies Act, 1956. Several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013.

The Companies Act, 2013 is now largely in force as substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles of Association of the Company.

In terms of Section 5 and 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for approval and adoption of a new set of Articles of Association of the Company.

The proposed new draft Articles of Association is being uploaded on the Company's website [www.sunflagsteel.com](http://www.sunflagsteel.com) for perusal of the shareholders. And also available for inspection of the members at the Registered Office of the Company during any working day prior to the Meeting and also at the Meeting hall. Any member interested, may visit the Office during working hours.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution. The Board of Directors of the Company recommends the acceptance of the aforesaid special resolution by the members in the interest of the Company.

**Nagpur**  
**12<sup>th</sup> August 2015**

By Order of the Board  
**CS Pranab Panigrahi**  
**Company Secretary**  
**Membership No. ACS - 16186**