



SUNFLAG IRON & STEEL CO. LTD.

THIRTY-SIXTH (36TH) ANNUAL REPORT

2021 - 2022

SUNFLAG IRON AND STEEL COMPANY LIMITED
BOARD OF DIRECTORS

Mr. RAVI BHUSHAN BHARDWAJ [Non-executive Chairman]
 Mr. PRANAV BHARDWAJ [Managing Director]
 Mr. SURENDRA KUMAR GUPTA [Deputy Managing Director]
 Dr. E. R. C. SHEKAR [Non-executive, Independent Director]
 Mr. KUMAR JITENDRA SINGH [Non-executive, Independent Director]
 CA NEELAM KOTHARI [Non-executive, Independent Director]
 Mr. SAJIV DHAWAN [Non-executive, Independent Director]
 Mr. ANAND SADASHIV KAPRE [Non-executive, Independent Director]
 CA VINITA BAHRI [Non-executive, Independent Director]
 CA R. MURALIDHAR [Director (Finance)]
 Mr. RAMCHANDRA VASANT DALVI [Director (Technical)]
 Mr. SUHRIT RAVI BHUSHAN BHARDWAJ [Non-executive Director]
 Mr. MATTEGUNTA ANJANI VENKATRAMANA GOUTHAM
 [Additional Director (Non-executive, Independent) w.e.f. 12th August, 2022]
 Mr TIRTHNATH INDRANATH JHA
 [Additional Director (Non-executive, Independent) w.e.f. 03rd September, 2022]

CHIEF FINANCIAL OFFICER

Mr. S. MAHADEVAN

COMPANY SECRETARY

CS ASHUTOSH MISHRA

STATUTORY AUDITORS

M/s. NSBP & CO.

SECRETARIAL AUDITORS

CHARTERED ACCOUNTANTS, NEW DELHI

M/s. MUKESH PARAKH & ASSOCIATES

COMPANY SECRETARIES, NAGPUR

COST AUDITORS

M/s. G. R. PALIWAL & COMPANY

COST ACCOUNTANTS, NAGPUR

INTERNAL AUDITORS

M/s. AKMK & ASSOCIATES

CHARTERED ACCOUNTANTS, SURAT [upto 31st March, 2022]

M/s. S. S. KOTHARI MEHATA & CO.

CHARTERED ACCOUNTANTS, NEW DELHI [w.e.f. 01st April, 2022]

BANKERS/NBFCs

STATE BANK OF INDIA

BANK OF INDIA

CANARA BANK

INDIAN BANK

IDBI BANK LIMITED

AXIS BANK LIMITED

AXIS FINANCE LIMITED

BAJAJ FINANCE LIMITED

REGISTERED OFFICE

33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN

WORKS

WARTH, BHANDARA ROAD, BHANDARA - 441905, MH, IN

WEB SITE & E-MAIL

www.sunflagsteel.com / e-mail - investor@sunflagsteel.com

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED, MUMBAI

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of financial statements			

SUNFLAG IRON AND STEEL COMPANY LIMITED

REGISTERED OFFICE : 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN

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

Tel Nos. + 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 **Thirty-sixth (36th)** Annual General Meeting ('AGM') of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Wednesday, the 28th day of September, 2022 at 12:00 P.M.** through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) of the Company for the Financial Year 2021-22 ended 31st March, 2022, including, the Balance Sheet as at 31st March, 2022, Statement of Profit and Loss and Cash Flow for the Financial Year 2021-22 ended 31st March, 2022, together with the Board's Report and Report of the Statutory Auditors thereon.
2. To appoint a director in place of Mr. Surendra Kumar Gupta (DIN - 00054836), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Sajiv Dhawan (DIN: 00160085), as an Independent Director of the Company for a fixed second term of five (5) consecutive years.**

To consider and, if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) ["Listing Regulations"], Mr. Sajiv Dhawan (DIN: 00160085), who was appointed as an Independent Director of the Company and who holds office up to 26th September, 2022 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member signifying his intention to propose his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, for a fixed second term of consecutive five (5) years, from 27th September, 2022 till 26th September, 2027.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be expedient and necessary to give effect to this resolution."

4. **Appointment of Mr. Mattegunta Anjani Venkatramana Goutham (DIN: 00101447), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of three (3) consecutive years, as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT Mr. Mattegunta Anjani Venkatramana Goutham (DIN: 00101447), appointed by the Board of Directors as an Additional Director of the Company effective 12th August, 2022 and who holds office up to the date of this Thirty-sixth (36th) Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended, from time to time and Regulation 17, and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"] Mr. Mattegunta Anjani Venkatramana Goutham, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a fixed first term of three (3) consecutive years i.e. from 12th August, 2022 up to 11th August, 2025."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be expedient and necessary to give effect to this resolution."

5. **Appointment of Mr. Tirtnath Indranath Jha (DIN: 07593002), as a Director (Category – Non-executive, Independent) of the Company, and also for a fixed first term of three (3) consecutive years, as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT Mr. Tirtnath Indranath Jha (DIN: 07593002), appointed by the Board of Directors as an Additional Director of the Company effective 3rd September, 2022 and who holds office up to the date of this Thirty-sixth (36th) Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director of the Company, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended, from time to time and Regulation 17, and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ["Listing Regulations"], Mr. Tirtnath Indranath Jha, who meets the criteria for independence as provided in Section

149(6) of the Act and Regulation 16(1)(b) of Listing Regulations, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a fixed first term of three (3) consecutive years i.e. from 3rd September, 2022 up to 02nd September, 2025."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as may be expedient and necessary to give effect to this resolution."

6. Consent of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate

To consider and if thought fit, to pass, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future shall not exceed a sum of Rs. 600 Crores over and above the limit of 60% of paid-up capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

7. Ratification of Remuneration of Cost Auditors of the Company.

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the 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), the remuneration of ₹ 2,40,000/- (Rupees Two Lakh Forty Thousand Only) plus applicable taxes (GST) and reimbursement of actual out of pocket expenses, if any, payable in connection with audit of cost records of the Company, for the Financial Year 2022-23, to 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 2022-23, has been duly approved by the Board of Directors, based on the recommendation of the Audit Committee of the Company, be and is hereby ratified."

By Order of the Board

Nagpur
25.08.2022

CS Ashutosh Mishra
Company Secretary
ICSI M. No. ACS - 23011

NOTES:

IN VIEW OF THE CONTINUING OUTBREAK OF THE COVID-19 PANDEMIC, SOCIAL DISTANCING NORM IS REQUIRED TO BE FOLLOWED. ACCORDINGLY, THE MINISTRY OF CORPORATE AFFAIRS ("MCA") HAS VIDE ITS CIRCULAR DATED MAY 5, 2020 READ WITH CIRCULARS DATED APRIL 8, 2020; APRIL 13, 2020; CIRCULAR NO. 02/2021 DATED JANUARY 13, 2021 AND CIRCULAR NO 02/2022 DATED MAY 05, 2022 (HEREINAFTER COLLECTIVELY REFERRED TO AS "MCA CIRCULARS") AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") VIDE ITS CIRCULAR NOS. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020; SEBI/HO/CFD/ CMD2/CIR/P/2021/11 DATED JANUARY 15, 2021 AND SEBI/HO/CFD/ CMD2/CIR/P/2022/62 DATED MAY 13, 2022 (COLLECTIVELY REFERRED TO AS 'SEBI CIRCULARS'), HAVE PERMITTED THE HOLDING OF ANNUAL GENERAL MEETING (AGM) THROUGH VC / OAVM, WITHOUT THE PHYSICAL PRESENCE OF THE MEMBERS AT A COMMON VENUE. IN COMPLIANCE WITH THE MCA CIRCULARS AND SEBI CIRCULARS, THE 36TH AGM OF THE COMPANY SHALL BE CONDUCTED THROUGH VC / OAVM.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item No. 3 to 7 is annexed hereto and forms part of the Notice.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, whereby physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map of AGM are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement can send an email to investor@sunflagsteel.com.

4. The Register of Members and Share Transfer Books of the Company, will remain closed, from **Saturday, the 17th September, 2022 to Wednesday, the 28th September, 2022 (both days inclusive)** for the purpose of 36th Annual General Meeting.
5. Members seeking any information with regard to the financial statements or any matter to be placed at the AGM or having any other queries are requested to write to the Company alongwith their Name, DP ID and Client ID/ Folio No., E-mail Id, Mobile Number to the Investor Service Cell at investor@sunflagsteel.com on or before Wednesday, the 21st September, 2022. Queries received well within the stipulated time will be considered and duly responded in writing at the given e-mail Id of the Member concerned.
6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.sunflagsteel.com, 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 on the website of the e-voting agency- National Securities Depository Limited at www.evoting.nsdl.com.

Shareholders who have not registered their e-mail address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily provide their email address and mobile number to the Company's Registrar and Share Transfer Agent - Bigshare Services Private Limited ('Bigshare'), by clicking the link: <https://www.bigshareonline.com> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to investor@bigshareonline.com.

Alternatively, member may send an e-mail request at the email id investor@bigshareonline.com along with scanned signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

7. REGISTRAR & SHARE TRANSFER AGENT

M/s. Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, MH, IN, had been appointed by the Company as the Registrar and Share Transfer Agent (RTA) effective 31st March, 2003. Therefore, the Depository Participants, Shareholders / Investors of the Company, are advised to send all documents and correspondence, such as requests for Dematerialisation of Shares, Change of Address, Issue of duplicate share certificate, Registration of e-mail Id, Change of Bank Mandate or NACH 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 holding Equity Shares in physical form are requested to notify or update any change in their Registered Address, Bank Mandate e.g. Name of Bank, Branch Address, Account Number, MICR and IFS Code to the Registrar and Share Transfer Agent (RTA) and/or the Company or to their respective Depository Participants (DP), if the Shares are held in Demat form.

9. DEMATERIALISATION OF SHARES

This is to inform that 11,12,87,362 Equity Shares (61.75%) of the total Issued, Subscribed and Paid-up Share Capital of the Company, have already been dematerialized as on 31st March, 2022.

In terms of the amended Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

Members holding share certificates under different folio numbers but in the same order of name are requested to apply for consolidation of such folios and send relevant share certificates to M/s. Bigshare Services Private Limited, Mumbai (RTA) for consolidating their holdings under one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

10. TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

DIVIDEND :

The dividend declared by the Company which remains unpaid or unclaimed for a period of 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 dividend remaining unpaid or unclaimed for 7 years and subsequently its transfer to IEPF Account of Central Government is as under:

S. N.	Number and Date of AGM	Date of Transfer to IEPF	Amount (₹)
1	20 th - 28 th September, 2006	27 th September, 2013	15,92,685.00
2	21 st - 25 th September, 2007	24 th September, 2014	11,71,767.00
3	22 nd - 23 rd September, 2008	22 nd September, 2015	18,71,945.00
4	23 rd - 25 th September, 2009	24 th September, 2016	22,14,452.00
5	24 th - 23 rd September, 2010	22 nd September, 2017	20,24,582.00
6	25 th - 23 rd September, 2011	22 nd September, 2018	20,36,465.00

The shareholders who have not claimed the dividend declared and paid for the Financial Year 2017-18 and 2018-19 are requested to claim it at the earliest possible.

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 requisite details on 13th September, 2021 (date of last Annual General Meeting) on the website of the Company www.sunflagsteel.com and also of the Ministry of Corporate Affairs.

SHARES:

In terms of the provisions of Section 124(5) of the Companies Act, 2013 ('the Act') read with the rules made there under, dividend amount remaining unpaid or unclaimed for a period of 7 years, from the date it became due for payment, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, the Ministry of Corporate Affairs has notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" ('the Rules') which have come into force from 7th September, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been claimed for 7 years or more, in the name of '**IEPF Demat Account**'.

Accordingly, the Company has transferred a total 31,69,315 equity shares constituting about 1.759% of the total issued, subscribed and paid-up share capital, including 28,050 equity shares of "Unclaimed Suspense Account", which was created pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015 (as amended).

The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both dividend as well as shares. The detailed list of shares transferred to this IEPF Authority Account as well as detailed procedure to claim is available on the Company's website www.sunflagsteel.com. Further, the procedure for claim is also available on the website of IEPF authority at www.iepf.gov.in. During the financial year 2021-22 under review, several rightful shareholders have claimed shares from this account. The detailed list of shares transferred to this IEPF account is available on the Company's website www.sunflagsteel.com.

11. e-VOTING

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the 36th Annual General Meeting. 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 e-voting on the date of the AGM will be provided by NSDL.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING, E-VOTING AT ANNUAL GENERAL MEETING (AGM) AND JOINING AGM ARE AS UNDER:

The remote e-voting period begins on Saturday, 24th September, 2022 at 09:00 A.M. and ends on Tuesday, 27th September, 2022 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. Wednesday, the 21st September, 2022, 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, 2022.

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.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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 hold 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 company name or e-Voting service provider i.e. 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. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



Type of shareholders	Login Method
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	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 company name or e-Voting service provider i.e. 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.

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 e-voting and joining virtual meeting 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?

- 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.
- 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, 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.
- 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. Your 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**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - 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.
 - **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 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.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

How to cast your vote electronically and join Annual 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 csmukesh@live.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "e-Voting" tab in their login.
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 4430 or send a request to evoting@nsdl.co.in.
4. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. **21st September, 2022**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **21st September, 2022**, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email 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 investor@sunflagsteel.com.
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 investor@sunflagsteel.com. 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/member may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the 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 AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the 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 AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the 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 "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. 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.
6. 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.
7. The Board of Directors has appointed M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur, (Unique Identification Number S2015MH344000), as a Scrutinizer to process the e-voting for the 36th Annual General Meeting in a fair and transparent manner.
8. CS Ashutosh Mishra, Company Secretary (ICSI Membership No. ACS -23011) of the Company shall be responsible for addressing all the grievances in relation to this 36th Annual General Meeting of the Company.
9. The results of voting shall be declared within 48 hours of the conclusion of the 36th 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), NSDL Website and shall also be communicated to the Stock Exchanges (BSE and NSE).

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

Item No. 3 :

The Members are apprised that Mr. Sajiv Dhawan (DIN: 00160085) was appointed as a Non-executive, Independent Director of the Company at the Thirty-third (33rd) Annual General Meeting held on 27th September, 2019 for a fixed first term of consecutive three (3) years i.e. from 27th September, 2019 to 26th September, 2022.

Section 149(10) of the Companies Act, 2013 ('Act') provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company. Section 149(11) provides that an independent director may hold office for two consecutive terms.

The Board, after taking into account the recommendation of the Nomination and Remuneration Committee based on the report of performance evaluation of Directors, has recommended the re-appointment of Mr. Sajiv Dhawan as an Independent Director of the Company, not liable to retire by rotation, for a second term of five (5) years i.e. from 27th September, 2022 till 26th September, 2027.

Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribes that an independent director of a Company shall meet the criteria of independence as provided in Section 149(6) of the Act. The Company has received a self-declaration from Mr. Sajiv Dhawan that he meets the criteria of independence as prescribed under Sub-section (6) of Section 149 of the Act and the provisions of the Listing Regulations.

The Company has also received a self-declaration from Mr. Sajiv Dhawan to the effect that he was or is not disqualified from being appointed as the Director in terms of Section 164 of the Companies Act, 2013 and he has given his consent to act as the Director of the Company.

The Company has also received a self-declaration from Mr. Sajiv Dhawan, to the effect that he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".

The Company has received a notice in writing from a member under Section 160(1) of the Companies Act, 2013 proposing the candidature of Mr. Sajiv Dhawan for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The aforesaid Independent Director is an eminent personality in his field. Your Board considers that his continued association with the Company would be of immense benefit to the Company. In the opinion of the Board, Mr. Sajiv Dhawan fulfils the conditions for reappointment as the Non-executive, Independent Director of the Company as per the applicable provisions of the Act and the Listing Regulation/s. He is also independent of the Management and Promoters of the Company.

A Brief profile of Mr. Sajiv Dhawan, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees etc., required to be given pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, has been given in the annex to this Notice.

Being appointee, Mr. Sajiv Dhawan, may be deemed to be interested or concerned in the Resolution set out at Agenda Item No. 3 of the Notice with regard to his appointment. Except Mr. Sajiv Dhawan, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, either financially or otherwise, in this Resolution.

The terms and conditions of his appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-sixth (36th) Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of Mr. Sajiv Dhawan, the Board of Directors of the Company, recommends the Special Resolution at Item No. 3 of the Notice for approval of the Members in the interest of the Company.

ITEM NO. 4:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee of the Board, at its meeting held on 12th August, 2022, has appointed, Mr. Mattegunta Anjani Venkatramana Goutham ("Mr. M. A. V. Goutham") (DIN: 00101447), as an Additional Director [Category: Non-executive, Independent] of the Company, effective 12th August, 2022. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company, Mr. M. A. V. Goutham, shall hold office till the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company, and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member of the Company, proposing his candidature for the office of a Director of the Company.

Mr. M. A. V. Goutham has submitted his consent to act as a Director of the Company. The Company has also received self-declarations from to the effect:

- i. that he was or is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act.
- ii. that he was or is not debarred from holding the office of a director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".
- iii. that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations.

In the opinion of Nomination and Remuneration Committee and Board of Directors of the Company, Mr. M. A. V. Goutham, fulfils the conditions specified in the Act and Listing Regulations, for appointment as a Director and also, as an Independent Director of the Company. Mr. M. A. V. Goutham is independent of the Management and Promoters of the Company. As such, it is proposed to appoint Mr. M. A. V. Goutham, as a Director of the Company and also, as an Independent Director of the Company, not liable to retire by rotation, to hold the office

for a fixed first term of three (3) consecutive years, from 12th August, 2022 till 11th August 2025.

A Brief profile of Mr. M. A. V. Goutham, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees etc., required to be given pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, has been given in the annex to this Notice.

The terms and conditions of his appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-sixth (36th) Annual General Meeting of the Company.

Being appointee, Mr. M. A. V. Goutham, may be deemed to be interested or concerned in the Resolution set out at Item No. 4 of the Notice with regard to his appointment. Except Mr. M. A. V. Goutham none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, either financially or otherwise, in this Resolution.

Keeping in view the vast experience and knowledge of Mr. M. A. V. Goutham, the Board of Directors of the Company, recommends the Special Resolution at Item No. 4 of the Notice for approval of the Members in the interest of the Company.

ITEM NO. 5 :

The Board of Directors through the resolution by circulation passed on 25th August, 2022, on the recommendation of Nomination and Remuneration Committee of the Board, has appointed, Mr. Tirthnath Indranath Jha (DIN: 07593002), as an Additional Director [Category: Non-executive, Independent] of the Company, effective 3rd September, 2022. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 128 of the Articles of Association of the Company, Mr. Tirthnath Indranath Jha, shall hold office till the conclusion of Thirty-sixth (36th) Annual General Meeting of the Company, and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member of the Company, proposing his candidature for the office of a Director of the Company.

Mr. Tirthnath Indranath Jha has submitted his consent to act as a Director of the Company. The Company has also received self-declarations from Mr. Tirthnath Indranath Jha to the effect:

- i. that he was or is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act.
- ii. that he was or is not debarred from holding the office of a director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed Companies".
- iii. that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the Listing Regulations.

In the opinion of Nomination and Remuneration Committee and Board of Directors of the Company, Mr. Tirthnath Indranath Jha, fulfils the conditions specified in the Act and Listing Regulations, for appointment as a Director and also, as an Independent Director of the Company. Mr. Tirthnath Indranath Jha is independent of the Management and Promoters of the Company. As such, it is proposed to appoint Mr. Tirthnath Indranath Jha as a Director of the Company, and also, as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a fixed first term of three (3) consecutive years, from 3rd September, 2022 up to 2nd September, 2025.

A Brief profile of Mr. Tirthnath Indranath Jha, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees etc., required to be given pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 in respect of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, has been given in the annex to this Notice.

The terms and conditions of his appointment (draft appointment letter) shall be open for inspection by the Members of the Company, at the Registered Office of the Company during the normal business hours on any working day till the date of Thirty-sixth (36th) Annual General Meeting of the Company.

Being appointee, Mr. Tirthnath Indranath Jha, may be deemed to be interested or concerned in the Resolution set out at Item No. 5 of the Notice with regard to his appointment. Except Mr. Tirthnath Indranath Jha none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, either financially or otherwise, in this Resolution.

Keeping in view the vast experience and knowledge of Mr. Tirthnath Indranath Jha the Board of Directors of the Company, recommends the Special Resolution at Item No. 5 of the Notice for approval of the Members in the interest of the Company.

ITEM NO. 6 :

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give any loan to any person or other body corporate; give any guarantee or provide security in connection with a loan to any other body corporate or person; and acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 600 Crores over and above the limit of 60% of paid-up capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013, as proposed in the Notice. The above proposal is in the interest of the Company and the Board recommends the Special Resolution as set out at Item No.6 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, either financially or otherwise in the resolution at Item no. 6 of the accompanying notice.

ITEM NO. 7 :

On recommendation of the Audit Committee, the Board of Directors of the Company has approved and appointed M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815), as the Cost Auditors of the Company, for the Financial Year 2022–23, to audit the cost records of the Company at a remuneration of ₹ 2,40,000/- (Rupees Two Lakh Forty Thousand only) plus applicable taxes (GST) and reimbursement of actual out of pocket expenses, if any.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration as recommended by the Board of Directors, is subject to ratification by the Members of the Company at the ensuing 36th Annual General Meeting of the Company.

None of the Director/s, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution. The Board of Directors of the Company recommends the Ordinary Resolution at Item No. 7 of the Notice for approval of the Members in the interest of the Company.

Nagpur
25.08.2022

By Order of the Board

CS Ashutosh Mishra
Company Secretary
ICSI M. No. ACS - 23011

ANNEXURE**Details of Directors seeking appointment/re-appointment at the 36th Annual General Meeting of the Company**

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meeting]

Name of Director	Mr. Surendra Kumar Gupta
Director Identification Number (DIN)	00054836
Brief Resume / Experience	Mr. Surendra Kumar Gupta, age 74 years, graduated in Mechanical Engineering (B.E.) and thereafter pursued Diploma in Business Management. He has wide experience of over 42 years in Steel and Steel making industry. He was appointed as Director and also the Whole-time Director of the Company in July, 2007, continued on the Board thereafter and presently, the Deputy Managing Director of the Company, looking after overall affairs of the Steel Plant and Coal Mine of the Company.
Nationality	Indian
Date of Birth/Age	16 th August, 1948/ 74 Years
Date of Appointment	30 th July, 2020
Expertise in specific functional area	Production planning, Sales and Marketing
Qualification	B.E. (Mechanical), Diploma in Business Management
Date of First Appointment on Board	21 st May, 2007
Terms and conditions of appointment or re-appointment	Re-appointed as the Deputy Managing Director effective 30 th July, 2020 on the terms and conditions as approved by the Members at the AGM held on 21 st September, 2020.
Details of remuneration proposed to be paid and the remuneration last drawn	Remuneration drawn during FY 2021-22 is INR 1,41,01,290/-
Shareholding in the Company	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2021-22	6 / 6 [Attended / Held]
Name of the other Companies/LLP in which Director/Partner	CT Mining Private Limited, Khappa Coal Company Private Limited, Daido DMS India Private Limited, Ramesh Sunwire Private Limited, Supra Corporation Limited, Surjagarh Metals and Minerals Limited and Sunflag Foundation.
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	He is Member of Share Transfer Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Monitoring Committee, Risk Management Committee and Sub-Committee of the Board of the Company.
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	Not applicable.

Name of Director	Mr. Sajiv Dhawan
Director Identification Number (DIN)	00160085
Brief Resume / Experience	Mr. Sajiv Dhawan, age 51 years, is a graduate in Classics – Latin from the Leeds University, UK. He has been involved in the Indian Equity Markets for the last 21 years and has successfully managed a well-known and highly regarded Broking House and Managing Investor's Portfolios. He has been a regular Securities Market Analyst and Expert appearing on CNBC (India and Singapore), Bloomberg TV, NDTV/ET NOW channels as well as on BBC World. He is Member of India's largest Angel Investment Network. He has been appointed as an Additional Director (Non-Executive Independent) of the Company w.e.f. 12 th August, 2019.
Nationality	British
Date of Birth/Age	19 th September, 1970 / 51 Years
Date of Appointment	27 th September, 2019
Expertise in specific functional area	Securities Market Analyst and Investor's Portfolio Management.
Qualification	Graduate in Classics – Latin.
Date of First Appointment on Board	12 th August, 2019
Terms and conditions of appointment or re-appointment	Mr. Sajiv Dhawan will serve for a second term of five (5) years, from 27 th September, 2022 till 26 th September, 2027.
Details of remuneration proposed to be paid and the remuneration last drawn	INR 3,52,000/- (Sitting fees including Commission). He will get sitting fees for attending meetings of the Board and Committees and also Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee.
Shareholding in the Company	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2021-22	6 / 6 [Attended / Held]
Name of the other Companies/LLP in which Director/Partner	JV Capital Services Limited
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	Member of the Audit Committee of the Company.
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills, leadership capabilities, knowledge of finance and taxation, public relation and strategic planning required for the role of an Independent Director.

Name of Director	Mr. Mattegunta Anjani Venkatramana Goutham
Director Identification Number (DIN)	00101447
Brief Resume / Experience	Mr. M. A. V. Goutham, age 70 years, is a B. Sc graduate, fellow member of the Institute of Chartered Accountants of India and also member of the Institute of Cost and Works Accountants of India. He is having more than 38 years of experience in the various fields of Accounting, Taxation, Administration and Finance. He has worked with various companies viz A P State Financial Corporation (Year 1977-1991), Hindustan Ship Yards Ltd (Year 1991-1995), Lubrizol India Ltd (Year 1995-2001) and thereafter he joined Moil Limited in year 2001 as General Manager and retired as Director (Finance) in the year 2012. He had been an Officer on Special Duty at Visveswaraya National Institute of Technology from year 2014 to 2016.
Nationality	Indian
Date of Birth/Age	01 August, 1952 / 70 Years
Date of Appointment	12 th August, 2022
Expertise in specific functional area	Accounting, Taxation, Administration and Finance.
Qualification	B. Sc, FCA and AICWA
Date of First Appointment on Board	12 th August, 2022
Terms and conditions of appointment or re-appointment	Mr. M. A. V. Goutham will serve for a first term of three (3) years, from 12 th August, 2022 till 11 th August, 2025.
Details of remuneration proposed to be paid and the remuneration last drawn	He will get sitting fees for attending meetings of the Board and Committees also Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee.
Shareholding in the Company	Nil

Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2021-22	Not Applicable
Name of the other Companies/LLP in which Director/Partner	Nil
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	Nil
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills, including expertise in Finance, Account, Taxation, Management and Administration required for the role of an Independent Director.

Name of Director	Mr. Tirthnath Indranath Jha
Director Identification Number (DIN)	07593002
Brief Resume / Experience	Mr. Tirthnath Indranath Jha, age 64 years, is B. Tech in Mining, and PGDISM and M. Tech in Industrial Engineering and Management from Asia's premier Mining Institute Indian School of Mines (ISM) Dhanbad (now IIT) with distinction. He is a Mining Engineer presently providing consultancy related to Coal Mining and Administration. He worked in various organizations including Western Coalfields Limited (WCL), a subsidiary of Coal India Ltd. for 35 years. He started his career as Junior Mining Engr. and retired as Director Technical of WCL in August, 2018. He had been Managing Director of Vayunandana Power Limited (2019- 2020). He has also been awarded with Gold Medal by Mining Geology and Metallurgical Institute of India for the innovative work in underground Mining.
Nationality	Indian
Date of Birth/Age	25 August, 1958/ 64 Years
Date of Appointment	3 rd September, 2022
Expertise in specific functional area	Mining, Industrial Engineering and Management.
Qualification	B Tech (Mining), M. Tech (Industrial Engg. and Management) and PGDISM (Industrial Engg & Management).
Date of First Appointment on Board	3 rd September, 2022
Terms and conditions of appointment or re-appointment	Mr. Tirthnath Indranath Jha will serve for a term of three (3) years, from 3 rd September, 2022 till 2 nd September, 2025.
Details of remuneration proposed to be paid and the remuneration last drawn	He will get sitting fees for attending meetings of the Board and Committees also Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee.
Shareholding in the Company	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2021-22	Not Applicable
Name of the other Companies/LLP in which Director/Partner	Nil
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	Nil
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	In view of the Nomination and Remuneration Committee and the Board, he possesses the diverse skills, including expertise in Mining, Industrial Engineering and Management required for the role of an Independent Director.

BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting the 36th Annual Report along with the Audited Financial Statements of the Company for the Financial Year 2021-22 ended 31st March, 2022.

Financial Year under review was relatively good compared to previous Financial Year for the steel industry despite disruptions in the first quarter due to surge in Covid-19 cases and prohibition of supply of Oxygen for industrial purpose by Central government. During the second wave of pandemic, the public and private sector steel plants together supplied 2,30,262 tonnes of Liquid Medical Oxygen (LMO) between April 1 to July 25, 2021. The enhanced production of LMO by Company by reducing usage of gaseous oxygen led to reduced production of steel.

Steel Companies have started supplying oxygen to meet the growing demand of the oxygen among the COVID-19 patients. This was after the centre prohibited the supply of oxygen for industrial purposes by manufacturers and suppliers from April 22 due to surge in demand for oxygen.

During the Financial Year 2021-22, there was an increase in the sales and profit before tax and EBITDA as a percentage to total income for the year has increased to 14.90% as against 13.53% for the previous year.

1. FINANCIAL RESULTS

The summarised Financial Results for the year are as follows :-

(₹ in Lakh, except EPS)

Sr. No.	Particulars	For the Financial Year ended	
		2021-22	2020-21
1	Total Income	2,70,277	1,90,247
2	Total Expenditure	2,29,992	1,64,501
3	Gross Profit	40,285	25,746
4	Finance Cost	4,225	2,868
5	Profit before Depreciation	36,060	22,878
6	Depreciation	7,631	7,018
7	Profit before exceptional and extraordinary items and Tax	28,429	15,860
8	Tax Expenses and Provisions	6,789	2,508
9	Net profit from ordinary activities after tax	21,640	13,352
10	Other comprehensive Income (net of taxes)	(94)	68
11	Profit After Tax	21,546	13,420
12	Earnings Per Share (EPS) [Basic and Diluted] in ₹	12.01	7.41

2. FINANCE

The Total Income of your Company for the Financial Year 2021-22 stood at ₹ 2,70,277 Lakh as compared to ₹ 1,90,247 Lakh of the previous Financial Year. Your Company has ended the Financial Year 2021-22 with a profit after tax from the ordinary activities of ₹ 21,640 Lakh as against the previous Financial Year's ₹ 13,352 Lakh. After taking into account the brought forward profit of ₹ 94,371 Lakh, your Company has carried forward an amount of ₹ 1,17,336 Lakh to the Balance Sheet.

In view of the revaluation of plant and machinery and building during the previous year, the Company has made a transfer of ₹ 1,325 Lakh during the year towards additional depreciation on the revalued assets from the revaluation reserve to retained earnings.

3. DIVIDEND

The Company requires more funds through internal accruals to cope up with the terms and conditions of the lending banks financing the ongoing capital projects under the expansion programme, which will enable future growth of the Company.

Due to the need to support capex for long-term sustainability in future, your directors took a prudent decision to plough back the profits into the business and not to recommend any dividend for the Financial Year 2021-22.

4. DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') the Board of Directors of the Company (the 'Board') formulated and adopted the Dividend Distribution Policy ('Policy').

The Policy is available on the Company's website www.sunflagsteel.com and can be accessed at: <https://sunflagsteel.com/wp-content/uploads/2021/06/SISCO-Dividend-Distribution-Policy.pdf>

5. SHARE CAPITAL

During the Financial Year 2021-22 under review, there is no change in the capital structure of the Company and accordingly, the issued, subscribed and paid-up Share Capital of the Company stood at ₹ 1,80,21,94,480/- divided into 18,02,19,448 equity shares of face value of ₹ 10/- each, as on 31st March, 2022.

6. MARKET SCENARIO

As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT. (Million Tonnes)

As of September 2021, India was the world's second-largest producer of crude steel, with an output of 9.5 MT. In FY22 (till January-22), the production of crude steel and finished steel stood at 98.39 MT and 92.82 MT, respectively. In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. In FY22, production of finished steel stood at 92.82 MT. The consumption of finished steel stood at 86.3 MT in FY22 (till January-22)

Steel Companies are now looking forward to restart its expansion as consumption stood at over 85 million tons in FY 2022 and steel demand is expected to see growth in the near future. However, in view of high input cost and continued volatility in the basic raw material prices viz. coking coal, coke, iron ore are the concerns for sustainable demand for Steel manufacturers. Also the recent RBI monetary policy and increase in the cost of funds available may have constraints for consumers of automobile industry.

Sunflag as a business strategy is working on to have better positioning in the steel industry and therefore looking forward to expand its market base. Accordingly, with Super Alloy commissioning, may bring down dependency in Automobile/Auto ancillaries market.

7. COMPANY'S OPERATIONS OR OVERALL WORKING PERFORMANCE

During the Financial Year 2021-22 under review, the operational (production) details of the Company are as under :

Production in MT and Power in Lakh kWh

Sr. No.	Particulars	Financial Year 2021-22	Financial Year 2020-21
1	Direct Reduction Plant (I + II)	95,700	49,592
2	Steel Melt Shop	4,89,481	2,88,272
3	Rolled Products	3,58,678	3,25,112
4	Mini Blast Furnace (Hot Metal)/ Pig Iron	3,72,631	3,14,642
5	Coal (Belgaon Coal Block)	1,66,400	68,400
6	Power Plant (Lakh kWh)	1421.72	1531.78

8. PROJECTS

Steel Plant:-

The Company during the year under review have supplied samples of steel from its super alloy plant to prospective customers and now awaiting for their approval and acceptance of steel. Further Sunflag has been allocated a coal mine viz. Bhivkhund coal block in November 2021. The purpose of allocation is sale of coal, including to its affiliates, related parties and utilization for captive consumption etc.

The ongoing project viz. expansion at Blooming Mill, the Company has received all imported equipment / machineries and now looking forward to take cold trial in the second quarter of FY23.

Subsidiary Companies :-

Sunflag Power Limited [CIN – U31200UR2003PLC027802]

There were no specific developments or updates for reporting and the process of obtaining necessary approvals were continued for implementation and commencement of operations of Hydro Power Project of the Company at Hanol-Tuini in the State of Uttarakhand.

Khappa Coal Company Private Limited [CIN – U10100MH 2009 PTC191907]

In view of order of the Hon'ble Supreme Court of India dated 24th September, 2014, the Khappa & Extⁿ. Coal Block which was allocated to Khappa Coal Company Private Limited, stood de-allocated with immediate effect. The closure of the said Company solely depends upon the outcome of final decision regarding bank guarantee and compensation from the appropriate authorities.

Sunflag Foundation [CIN – U74999MH2017NPL289961]

Sunflag Foundation, a Section 8 Company (a Company not for profits) was incorporated on 27th January, 2017 as a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited. The said Company was appointed as an implementing Agency to carry out the Corporate Social Responsibility (CSR) activities as per CSR Policy of the Company within the framework of applicable provisions of law.

Associate / Joint Venture (JV) Companies:-

Madanpur (North) Coal Company Private Limited [CIN – U10101CT2007PTC020161] and C T Mining Private Limited [CIN – U10100JH2008PTC013329]

In view of order of the Hon'ble Supreme Court of India dated 24th September, 2014, the Coal Block(s) which were allocated to Madanpur (North) Coal Company Private Limited in the state of Chhattisgarh and to C T Mining Private Limited in the state of Jharkhand, stood de-allocated with immediate effect. The closure of the said Companies solely depends upon the outcome of final decision regarding bank guarantee and compensation from the appropriate authorities.

Daido D.M.S. India Private Limited [CIN – U28113HR2015FTC054839]

Daido D.M.S. India Private Limited, is a Joint Venture (JV) Company of Sunflag Iron and Steel Company Limited, Daido Steel Co. Ltd., Japan and Daido Die and Mold Steel Solutions Co. Ltd., Japan. Sunflag has made an investment of INR 36,000,000/- (INR Three crores sixty lakh) constituting Twenty percent (20%- presently 17.56%) in the capital of the said JV Company. The JV Company is engaged in the business of manufacturing, import, export and distribution in die, mold steel (tool steel and other metallic materials), processed products and mold parts. The Company is in operation.

Ramesh Sunwire Private Limited [CIN – U 28999 MH 2016 PTC 287281]

Sunflag Iron and Steel Company Limited jointly with Stumpp Schuele & Somappa Springs Private Limited, Bengaluru has formed and incorporated a Joint Venture (JV) Company–Ramesh Sunwire Private Limited on 31st October, 2016 in the state of Maharashtra. The main object of the JV Company is manufacturing high quality of alloy steel wire for automobile and auto component industries, both in domestic and export market. The Company is in operation.

Present Status of Coal and Minerals Mines:-

S. N.	Name of Mine	Area in (Ha.)	Mineral	Present Status
1	Belgaon Coal Mine, at Village Balgaon (Deshpande), Tah. Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8 million tons (MT) with extractable balance of about 5.54 MT.
2	Navegaon Manganese Mine at Village Navegaon, Tah. Mohadi, Dist. Bhandara, Maharashtra	15.90	Manganese Ore	Open cast mine with reserves of about 30,000 tons.
		48.78	Manganese Ore	Application for conversion of Prospecting Licence into Mining Lease is under process for 5(1) approvals, presently with Central Government
3	Warpani Manganese Ore Block at Village Warpani, Tah. Saoner, Dist. Nagpur, Maharashtra	1419.65	Manganese Ore	Application for conversion of Prospecting Licence into Mining Lease is under process for 5(1) approvals, presently with Central Government.
4	Bande Iron Ore Block, at Village Bande, Tah. Ettapalli, Dist. Gadchiroli, Maharashtra	236.75	Iron Ore	Application for conversion of Prospecting Licence into Mining Lease for an area of 205.75 Ha is under process for 5(1) approvals, presently with Central Government.
5	Kodalibad Iron and Manganese Ore Mine at Village - Kodalibad, Tah - Noamundi, Dist. - Singhbhum / Jharkhand	120.00	Iron and Manganese Ore	Mining Lease is yet to be executed.
6	Lohardongri Iron Ore Mines at Village Lohardongri, Tah - Brahmapuri, District - Chandrapur, Maharashtra	35.73	Iron Ore	Declared successful bidder in auction. Letter of Intent (LOI) dated 13.09.2019 received from Government of Maharashtra. Mining plan has been approved. Application for forest clearance (FC) and environmental clearance (EC) submitted and the approval is awaited. The public hearing for grant of EC held in the month of June 2022.
7	Bhivkund Coal Block Village - Nandgaon Settlement, Visapur & Ballarpur, Tahsil - Ballarpur, Dist- Chandrapur	802	Coal	Received Vesting Order on 18.09.2021 and Mine plan and Mine closure plan submitted for approval to Ministry of Coal.

9. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the Financial Year 2021-22 under review, the Board of Directors, though exploring addition to existing business and commercial activities, but till date there is no change in nature of business and commercial activities of the Company. As such, no specific details regarding change in nature of business activities are required to be given or provided.

10. PUBLIC DEPOSITS

During the Financial Year 2021-22 under review, the Company has neither invited nor accepted any public deposits within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (as amended). As such, no specific details prescribed in Rule 8(5) of the Companies (Accounts) Rules, 2014 (as amended) have been given or provided.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The changes amongst the Board of Director/s including Executive Director/s and Key Managerial Personnel during the period under review are as follows :

I. CHANGES RELATED TO THE PROMOTER DIRECTOR(S):

There has been no change in relation to the Promoter Director(s) during the year.

II. CHANGES RELATED TO THE EXECUTIVE DIRECTOR/S AND KEY MANAGERIAL PERSONNEL (KMP):

Pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act), the Members of the Company, on the recommendation of the Board of Directors and the Nomination and Remuneration Committee (NRC) of the Board, at their 35th Annual General Meeting held on 13th September, 2021, consented to the re-appointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), Director (Category - Non-Promoter, Executive) of the Company, who retired by rotation and being eligible offered himself for re-appointment.

III. CHANGES RELATED TO THE INDEPENDENT DIRECTOR/S:

There has been no change in the Independent Director(s) during the year under review.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under both Section 149 (6) of the Act and the Listing Regulations.

IV. PROPOSED CHANGES RELATED TO DIRECTOR/S TO BE PLACED BEFORE THE MEMBERS FOR THEIR APPROVAL :

- Pursuant to Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), Mr. Surendra Kumar Gupta (DIN - 00054836), Director (Category - Non-Promoter, Executive) of the Company, who retires by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as a Director (with existing category) of the Company for the approval of the Members at the ensuing Annual General Meeting in the

interest of the Company.

2. The term of Mr. M. A. V. Goutham (DIN: 00101447), as an Additional Director [Category – Non-executive, Independent] of the Company appointed by the Board in its meeting dated 12th August, 2022, is expiring at the conclusion of the ensuing Thirty-sixth (36th) Annual General Meeting of the Company. The Board recommends appointment of Mr. M. A. V. Goutham, as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed first term of consecutive three (3) years, from 12th August, 2022, in the interest of the Company.

The Company has received a notice in writing under Section 160(1) of the Act, from a Member proposing the candidature of Mr. M. A. V. Goutham, for the office of a Director of the Company.

The Company has also received the self-declaration/s from Mr. M. A. V. Goutham, inter-alia to the effect that, (i) he was/is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act and has submitted his consent to act as a Director of the Company; (ii) he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"; and (iii) he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

3. The first term of Mr. Sajiv Dhawan (DIN: 00160085), as a Director (Category – Non-executive, Independent) of the Company, is expiring on 26th September, 2022. Pursuant to Section 149, 152 of the Act and Schedule IV to the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and the Listing Regulations, the Board recommends the appointment of Mr. Sajiv Dhawan (DIN: 00160085), as an Independent Director [Category – Non-executive, Independent] not liable to retire by rotation, to hold the office for a fixed second term of consecutive Five (5) years, from 27th September, 2022 till 26th September, 2027. The Company has received a notice in writing under Section 160 of the Act from a Member proposing the candidature of Mr. Sajiv Dhawan (DIN: 00160085), for the office of a Director of the Company.

The Company has also received the self-declaration/s from Mr. Sajiv Dhawan (DIN: 00160085), inter-alia to the effect that, (i) he was/is not disqualified from being appointed as a Director of the Company in terms of the provisions of Section 164 of the Act and has submitted his consent to act as a Director of the Company; (ii) he was or is not debarred from holding the office of a Director pursuant to any order of the SEBI or such other authority in terms of SEBI's Circular No. LIST/COMP/14/2018-19 dated 20th June, 2018 on the subject "Enforcement of SEBI Orders regarding appointment of Directors by listed companies"; and (iii) he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

12. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2021-22 under review, 6 meetings of the Board of Directors of the Company were held on (i) 29th May, 2021, (ii) 12th July, 2021, (iii) 30th July, 2021, (iv) 13th September, 2021, (v) 12th November, 2021 and (vi) 10th February, 2022.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirms:-

- i. That in the preparation of the Annual Accounts (Financial Statements), the applicable Accounting Standards had been followed along with proper explanation, relating to material departures;
- ii. That 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 of the profit of the Company for that Financial Year;
- iii. That 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;
- iv. That the Directors had prepared the Annual Financial Statements on a going concern basis;
- v. That the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. That the Directors had devised a proper system to ensure compliance with the provisions of all applicable laws and regulations and that such systems were adequate and operating effectively.

14. COST RECORDS

Pursuant to the amendment to the Companies (Accounts) Rules, 2014 vide MCA's Notification dated 31st July, 2018, the Board of Directors do confirm that the maintenance of cost records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, is required by the Company and accordingly, such accounts and records are made and maintained by the Company for the Financial Year 2021-22.

15. BUSINESS RESPONSIBILITY REPORT

The Securities and Exchange Board of India's (SEBI) Listing Regulations mandate the inclusion of the Business Responsibility Report as part of the Annual Report for the top 1000 listed entities based on market capitalization. The Business Responsibility Report (BRR), as mandated by the Securities and Exchange Board of India (SEBI), for the year under review is part of the Annual Report 2021-22 of the Company. The BRR maps the sustainability performance of your Company against the reporting framework suggested by SEBI. It describes the initiatives taken by your Company from an environmental, social and governance perspective.

16. COMMITTEE(S) OF THE BOARD

The Board has constituted all the requisite Committee(s) of the Board, namely Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Share Transfer Committee,

Risk Management Committee and Project Monitoring Committee, pursuant to the provisions of the Companies Act, 2013 read with the rules made there under and Listing Regulations. The details of its constitution, objective or terms of reference and other related information have been provided in the Corporate Governance Report, which forms part and parcel of the Board's Report.

17. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2022, the Board had twelve members, four of whom are executive directors, two non-executive and non-independent directors and six are independent directors. Two of the independent directors on the Board are women. The details of Board and committee composition, tenure of directors, areas of expertise and other details are available in the Corporate governance report that forms part of this Integrated Annual Report.

The policy of the Company on directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website at www.sunflagsteel.com.

18. RISK MANAGEMENT

The Risk Management Committee assists the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance, control etc. have been identified, assessed and adequate risks mitigation controls are in place. The details of Risk Management Committee its constitution, objective/ terms of reference and other related information have been provided in the Corporate Governance Report, which forms part and parcel of the Board's Report.

The Company has developed and implemented risk management policy including identification therein of elements of risk, which in the opinion of the Board may threaten the existence of the Company. The Risk Management policy is available on the Company's website at www.sunglagsteel.com.

19. AUDITORS

I. STATUTORY AUDITORS AND THEIR REPORT:-

M/s. NSBP & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 001075N, Peer Review Certificate No. 009284), were appointed as the Statutory Auditors of the Company at the 34th Annual General Meeting (AGM) of the Company held on 21st September, 2020 for a fixed first term of 5 years from the conclusion of 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting to be held for the Financial Year 2024-25.

The Auditors' Report submitted by M/s. NSBP & Co., Chartered Accountants, New Delhi, the Statutory Auditors to the Members of the Company for the Financial Year 2021-22 do not contain any qualification. The observations made by the Statutory Auditors in their report are self-explanatory and have also been further amplified in the Notes to the Financial Statements and as such, do not call for any explanations.

During the Financial Year 2021-22 under review :

- a) there has been no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (as amended);
- b) the observations made by the Statutory Auditors on the financial statements for the Financial Year 2021-22 under review including the affairs of the Company are self-explanatory and do not contain any qualification, reservation, adverse remarks or disclaimer.

As such, no specific information, details or explanations are required to be given or provided by the Board of Directors of the Company.

II. COST AUDITORS AND THEIR REPORT

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee of the Company, has appointed M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Membership No. 7815), as the Cost Auditors of the Company, for the Financial Year 2022-23 and has also recommended their remuneration to the Members of the Company for their ratification at the ensuing 36th Annual General Meeting of the Company.

The said Cost Auditors have furnished a Certificate of their eligibility for appointment including re-appointment pursuant to Section 141(3)(g), Section 148(5) of the Companies Act, 2013 read with the rules made there under, Certificate for independence and arms' length relationship with the Company and have also confirmed about their not being disqualified for such appointment including re-appointment within the meaning of Section 141(3) of the Companies Act, 2013.

Pursuant to the applicable provisions of the Act read with the Rules made there under, the Statements, Annexures, Proforma, annexed to the Cost Audit Report in Form No. CRA-3, to be submitted by the said Cost Auditors with the Central Government in e-Form No. CRA-4, for the Financial Year 2020-21 was filed vide SRN T34814053 dated 10th August, 2021.

Moreover, the Statements, Annexures, and Proforma annexed to the Cost Audit Report in Form No. CRA-3, to be submitted by the said Cost Auditors with the Central Government in e-Form No. CRA-4, for the Financial Year 2021-22, do not contain any adverse remarks and qualifications, is self-explanatory and do not call for any further explanation/s by the Company.

III. SECRETARIAL AUDITORS AND THEIR REPORT

M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur [Unique Identification Number S2015MH344000], were appointed as the Secretarial Auditors of the Company, for the Financial Year 2021-22.

The Secretarial Audit Report in Form No. MR-3 submitted by the said Secretarial Auditors is attached as an **Annexure – III**, which forms an integral part of the Board's Report, do not contain any adverse remarks and qualifications, is self-explanatory and do not call for any further explanations by the Company.

Further, the Board of Directors of the Company at its 190th Meeting held on 12th August, 2022 has approved the re-appointment of, M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur [Unique Identification Number S2015MH344000], as the Secretarial Auditors of the Company for the Financial Year 2022-23.

IV. INTERNAL AUDITORS AND THEIR REPORT

M/s. AKMK & Associates, Chartered Accountants, Surat [ICAI Firm Registration No. 136206W], were appointed as the Internal Auditors of the Company by the Board of Directors of the Company at its 177th meeting held on 13th February, 2020, on the recommendation of the Audit Committee, for the period of 3 Financial Year/s, from the Financial Year 2020-21 to the Financial Year 2022-23.

During the period under review, M/s. AKMK & Associates, has tendered their resignation due to pre-occupation in the other assignments and expressed their inability to continue as the Internal Auditors of the Company from Financial Year 2022-23.

The Board of Directors at its meeting held on 29th April, 2022 with the recommendation of the Audit Committee has appointed M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) as the 'Internal Auditors' of the Company for the Financial Year 2022-23.

The Internal Audit finding/s and report/s submitted by M/s. AKMK & Associates, Chartered Accountants, Surat, the said Internal Auditor/s, from time to time, during the Financial Year 2021-22 to the Audit Committee and the Board of Directors of the Company, do not contain any adverse remarks and qualifications, are self-explanatory and do not call for any further explanation/s by the Company.

20. PERSONNEL / PARTICULARS OF EMPLOYEES

The information required to be provided pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 ended on 31st March, 2022:

Executive Director(s)	Ratio to Median remuneration of employees
Mr. Pranav Bhardwaj - Managing Director	37.63: 1
Mr. Surendra Kumar Gupta - Deputy Managing Director	24.55: 1
CA Rambhatla Muralidhar - Director (Finance)	19.42: 1
Mr. Ramchandra Vasant Dalvi – Director (Technical)	18.13: 1

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year 2021-22 ended on 31st March, 2022:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase (decrease) in remuneration over previous Financial Year (*)
Mr. Pranav Bhardwaj - Managing Director	37.03
Mr. Surendra Kumar Gupta - Deputy Managing Director	41.39
CA Rambhatla Muralidhar - Director (Finance)	39.59
Mr. Ramchandra Vasant Dalvi - Director (Technical)	50.63
CS Ashutosh Mishra - Company Secretary	54.95
S. Mahadevan Iyer – Chief Financial Officer	38.46

* The above increment percentages are calculated after considering amount released during the year against salaries held in previous year in view of COVID-19.

- c) The percentage increase in the median remuneration of employees in the Financial Year 2021-22 ended 31st March, 2022: 10.25%.
- d) The number of permanent employees on the rolls of Company as on 31st March, 2022: 1206.
- e) 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 if there are any exceptional circumstances for increase in the managerial remuneration:
- The average percentage increase in the salary of the Company's employee excluding Managerial Personnel was 4.27%. The percentage increase in salary of Managerial personnel during the period was 41.49%.
 - However considering the commission paid to Managerial Personnel the percentage increase in managerial remuneration for the year is 50.41%
- f) Affirmation: Remuneration paid to Director/s, Key Managerial Personnel and Employees of the Company is as per the remuneration policy of the Company.
- g) Statement of Particulars of Employees as per Section 197 of the Companies Act, 2013 read with rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, and forming part of the Directors' Report for the year ended 31st March, 2022 is as below:

Sr. No.	Name of the Employee	Designation/ Nature of Employment	Age / Qualification	Experience (Years)	Remuneration (Rs. in Lakh)	Last Employment	Date of Appointment	Equity holding %
1.	Mr. Pranav Bhardwaj	Managing Director	48, B.Sc. (Chemistry & Business Management)	23.04	739.47	Not Applicable	01-12-1998	0.89
2.	Mr. S. K. Gupta	Dy. Managing Director	73, PGD (DBM), B.E. (M) D. Engg. (M)	54.07	141.01	Coventry Springs	05-09-1992	-
3.	CA R. Muralidhar	Director (Finance)	67, M.Com., C.A.	42.02	111.53	BALCO	06-10-1993	-
4.	Mr. Ramchandra Dalvi	Director (Technical)	71, B.Tech (Metallurgy)	39.08	104.11	Sanika Hospitality-Own Venture	03-08-2015	-
5.	Mr. Jitendra Singh	Head-Marketing	57, M.Tech (MET), B.E. (MET)	33.03	81.98	Punjab Concast Steels	21-12-1998	-
6.	Mr. D. D. Khonde	Chief Operating Officer	47, B.Tech (Mech), PGPBA, D. Engg(CHE)	26.04	77.85	PT. Gunung Garuda, Indonesia	01-12-2012	-
7.	Mr. S. K. Chanda	Deputy Head-Marketing	53, MBA (MKT), B.E. (MET)	29.07	71.32	Mukand Ltd.	04-09-2003	0.0001 (200 Shares)
8.	Mr. D.S. Kalne	VP (Finance & Store-Works)	66, C.A.	38.10	68.11	Orient Cordage Pvt. Ltd.	01-06-1989	-
9.	Mr. Malepati Thejo Vardhan	Business Head - Super Alloys & Forging	51, BE (PROD)	27.08	65.88	Canpack India Pvt. Ltd.	20-10-2021	-
10.	Mr. S. Mahadevan	Chief Financial Officer	56, MBA (Finance), PG Diploma in Financial Management.	37.00	59.98	Safari Sales Industries Ltd.	14-09-1990	0.0004 (800 Shares)

Note : i. Remuneration includes Salary and allowances. In the case of Mr. Pranav Bhardwaj, it includes Salary, allowances and commission.
ii. None of the above employees are related to any Director or Manager except Mr. Pranav Bhardwaj who is relative of Mr. Ravi Bhushan Bhardwaj (Non- executive Chairman) and Mr. Suhrit Bhardwaj (Non-executive, Non-Independent Director).

21. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in the **Annexure - I** to this report.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of Loans, Guarantees or investments given or made by the Company under Section 186 of the Companies Act, 2013 are disclosed in the Notes to the Financial Statements of the Company for the Financial Year 2021-22.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 OF THE COMPANIES ACT, 2013

a) Details of contracts or arrangements or transactions not at arm's length basis:

There are no such transactions and hence not applicable.

b) Details of contracts or arrangements or transactions at arm's length basis:

The details of contracts or arrangements or transactions in the ordinary course of business and at arm's length basis are as given below:

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 (as amended):

Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient terms of the contracts / arrangements / transactions, including the value, if any	Dates of approval / ratification by the Board, if any	Consideration Amount for the FY 2020-21
Haryana Television Limited [Associate Enterprise]	Ordinary course of Business and at Arm's length	Continuing	Refundable Security Deposit	29.05.2021 / ratified on 27.05.2022	₹ 28,20,000/- (Continuing from Previous years)
Haryana Television Limited [Associate Enterprise]	Ordinary course of Business and at Arm's length	Continuing	Rent paid for Company's Godown at Faridabad	29.05.2021 / ratified on 27.05.2022	Rent ₹ 66,49,300/- for the FY 2021-22
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2021-22	Sale of Wire Rods	12.02.2021	₹ 25,29,80,247/- in the FY 2021-22
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2021-22	Purchase of scrap of Wire Rods	12.02.2021	₹ 23,82,692/- in the FY 2021-22

Note: Particulars of contracts or arrangements or transactions with related parties are not given in Form AOC-2, during the Financial Year 2021-22 under review as the Company has not entered into any contracts or arrangements or transactions which are material in nature or are not at arm's length.

24. LISTING OF SHARES

The Equity Shares in the capital of the Company continued to be listed with and actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees for the Financial Year 2022-23 have been paid to both the Stock Exchanges (BSE and NSE) within the stipulated time.

25. DEMATERIALISATION OF SHARES

As on 31st March, 2022, there were 11,12,87,362 Equity Shares dematerialised through depositories viz. National Securities Depository

Limited (NSDL) and Central Depository Services Limited (CDSL), which represents about 61.75 % of the total issued, subscribed and paid-up capital of the Company.

26. ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company have been uploaded on the Company's website www.sunflagsteel.com and can be accessed at weblink- https://sunflagsteel.com/wp-content/uploads/2021/08/Annual_Return_March_2022.pdf

27. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The detailed information related to the dividend declared by the Company in the previous year/s together with the amount remained unpaid or unclaimed, its transfer to the Investor Education and Protection Fund are provided in the Notes annexed to the Notice convening the 36th Annual General Meeting of the Company. To avoid repetition, the Shareholders of the Company are advised to refer the said Notes for detailed information on the subject matter.

28. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Ministry of Corporate Affairs (MCA) has notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" (the Rules), which have come into force from 7th September, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been claimed for 7 consecutive years or more, in the name of 'IEPF Demat Account'. Accordingly, the Company has so far transferred 31,69,315 Equity Shares constituting about 1.759% of the total issued, subscribed and paid-up capital. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the Equity Shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both Dividend as well as Equity Shares, by the Shareholders or Investors of the Company.

29. CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standards of Corporate Governance and adhere to the Corporate Governance practices or requirements as set out in the Listing Regulations by the SEBI, enforced through the Stock Exchange/s (BSE and NSE). The Company has also implemented several best Corporate Governance practices as prevalent globally.

Your Board of Directors are pleased to report that your Company has complied with the SEBI Guidelines on Corporate Governance for the Financial Year 2021-22 relating to the Listing Regulations. Certificates from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Unique Identification Number S2015MH344000) confirming compliance with conditions as stipulated under Listing Regulations and Non-disqualification of Directors are annexed to the Corporate Governance Report, which forms an integral part of the Board's Report of the Company.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's Steel plant is located at Bhandara Road, Village Warthi, Tahsil Mohadi, District Bhandara in the State of Maharashtra. It is located at a distance of about 12 kilometers from the Bhandara District Headquarters. The unit is surrounded by 7 villages in the radius of 5 KMs. The Company is having its captive Coal Mines at Belgaon, Tah. Warora, District Chandrapur in the State of Maharashtra. The Company's CSR activities as per its CSR Policy are to the best possible implemented in all the areas close to the manufacturing facilities (Steel Plant) and coal mines of the Company.

All the activities and programs covered under SISCO CSR are being monitored by the CSR Committee and are implemented by the CSR Sub-committee through an Implementing Agency.

Sunflag Foundation (CIN-U 74999 MH 2017 NPL 289961) – a Section 8 Company (A Company not for Profits) was incorporated on 27th January, 2017 as a Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited. The said Company has been appointed as an implementing agency to carry out the Corporate Social Responsibility (CSR) activities as per CSR Policy of the Company within the framework of applicable provisions of law.

Accordingly, Sunflag Foundation is implementing all the CSR activities, budget and accounts for the same, the manner in which the CSR amount has been spent or to be spent, etc. and in turn, furnishes its report to the Company on regular basis. As required, the details pertaining to the Corporate Social Responsibility (CSR) activities together with details of expenditure is enclosed as an **Annexure – II**, which forms an integral part of the Board's Report of the Company.

31. CODES OF CONDUCT OF BUSINESS PRINCIPLES & ETHICS AND PREVENTION OF INSIDER TRADING AND OTHER CODES / POLICIES

The Board of Directors are pleased to report that your Company has complied with the:-

- i. Code of Conduct of Business Principles and Conduct;
- ii. Code of Prevention of Insider Trading in Sunflag Securities by the designated persons [Insider] (as amended from time to time);
- iii. Code for Vigil Mechanism - Whistle Blower Policy;
- iv. Code for Independent Directors;
- v. Corporate Social Responsibility (CSR) Policy;
- vi. Risk Management Policy, which includes identification of elements of risk, if any, which in the opinion of the Board of Directors may threaten the existence of the Company;
- vii. Policy on Document Preservations (Regulation 9 of the SEBI (LODR) Regulations, 2015);
- viii. Policy for determining of 'material' Subsidiary (Regulation 16 of the SEBI (LODR) Regulations, 2015);
- ix. Policy on materiality of related party transaction/s and on dealing with related party transactions (Regulation 23 of the SEBI (LODR) Regulations, 2015);

- x. Policy for determination of materiality, based on specified criteria and accordingly, grant authorisation for determination of materiality of events (Regulation 30 of the SEBI (LODR) Regulations, 2015);
- xi. Nomination and Remuneration Policy; and
- xii. Dividend Distribution Policy.

The aforesaid code(s) and policy(ies) are available on the Company's Website www.sunflagsteel.com.

32. MATERIAL DEVELOPMENT IN HUMAN RESOURCES

HUMAN RESOURCES

An improvement in employee productivity is the key focus area for the Company, whereby achieving benchmark performance in this area, year on year, is a major goal for the Company led by its Human Resource Department.

The emphasis on the people of the organisation stems from the belief that human resource is the key factor to achieve success in any business. Sunflag Steel has always been a front runner in its human resource practices with many pioneering policies in the area of human resources. Our human resource practices are based on the values of Sunflag Steel with emphasis on respect, dignity, unity and fostering a culture of togetherness.

Employees' competencies and skills were enhanced by exposing them to several internal and external training programs. Various measures were taken to improve motivation level of each employee. As a result, many improvements were seen, where initiatives were undertaken to bring about a change in culture and mind set of the workforce of the Company.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Sunflag Iron and Steel Company Limited ("the Company") has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and an Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy. Pursuant to the amendment to the Companies (Accounts) Rules, 2014 vide MCA's Notification dated 31st July, 2018, the Board of Directors do confirm that the Company has complied with provisions relating to the constitution of an Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 [14 of 2013].

The Certificate by the Managing Director and Deputy Managing Director of the Company, to that effect is enclosed herewith as an **Annexure - IV** and forms an integral part of the Board's Report of the Company.

HEALTH AND SAFETY

Health and safety remains the Company's highest priority and **SUNFLAG STEEL** aspires to be the steel industry benchmark in health & safety. The Health & Safety of the workforce is of utmost importance and hence the need was felt for the same to percolate from the top leadership in the form of learning and experience-sharing.

Several initiatives were undertaken during the Financial Year to improve health & safety standards of the Company. Steps were taken to improve competency and capability for hazard identification and risk management. Further, departmental safety co-ordinator/s are at place for monitoring and training on safety related matters at shop-floor. The Safety Committee and Apex Committee are available for periodical review on health, safety and environment of all department/s of the Company. As a part of regular assignment, training programs on safety are being organised for New Joinee, as well as for regular employees and contract labour/s, and as a part of this, mock-drills are conducted for practical exposure to meet emergency need on quarterly basis. The Safety signage, SOPs / Work Instructions are displayed at various designated locations at the Works and Offices of the Company.

To ensure safety at work site, On-Line Safety Training is provided through "KIOSK" to concerned workers, mainly for safe working at height, safety while Fork Lift operation, safe material handling with Hydra Cranes and to truck drivers.

After successful completion of safety training, safety pass is being issued to them, which is valid for 6 months.

33. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure :

- a) that all assets and resources are used efficiently and are adequately protected;
- b) that all the internal policies and statutory guidelines are complied with; and
- c) that the accuracy and timing of financial reports and management information is maintained.

34. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company under review to which the financial statements relate and the date of this Board's Report. As such, no specific details are required to be given or provided.

35. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the Financial Year 2021-22, no significant and material order is passed by any of the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future. As such, no specific details are required to be given or provided.

36. COMPLIANCE WITH SECRETARIAL STANDARDS

The Board of Directors confirms that the Company, has duly complied with the applicable Secretarial Standards, namely Secretarial Standard-1 ('SS-1') on Meetings of the Board of Directors and Secretarial Standard-2 ('SS-2') on General Meetings, during the Financial Year 2021-22.

37. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

38. OTHER DISCLOSURES

The details regarding Board and its Committee Meeting/s, Evaluation of Board performance, Self-Declaration by the Independent Director/s, Remuneration policy for Director/s and KMP's, Induction, training and familiarisation programmes for the Director/s including Independent Director/s and such other related information has been provided under the Corporate Governance Report, which forms an integral part of the Board's Report of the Company.

39. ENCLOSURES

- a) Annexure – I : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;
- b) Annexure – II : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;
- c) Annexure – III : Secretarial Audit Report in Form No. MR-3;
- d) Annexure – IV : Certificate on Prevention of Sexual Harassment of Women at the Workplace and its Prohibition & Redressal.

40. ACKNOWLEDGEMENT

The Board of Directors acknowledge with thanks, co-operation and assistance received by the Company from the Shareholders, Consortium and other Banks or Lenders, Central, State Government and Local Authorities, and other external agencies involved in the overall business operations of the Company.

The Board of Directors also record its appreciation for the dedication of all the employees of the Company and their support and commitments to ensure that the Company continues to grow.

For and on behalf of the Board

Nagpur
12th August, 2022

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

ANNEXURE 'I' TO BOARD'S REPORT
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]
A) CONSERVATION OF ENERGY
I) The following measures were taken during the Financial Year 2021-22 under review for conservation of energy:

- i) Installation of 30 kW VFDs for CEP-3&4 of TG-2 of Captive Power Plant to save electrical energy.
- ii) Installation of 75 kW VFD for ID Fan-3 of FBC Boiler of Captive Power Plant to save electrical energy.
- iii) Installation of 15 kW VFD for Iron ore online crusher of BC-1 of Sinter Plant to save electrical energy.

II) The steps taken by the Company for utilising alternate source of energy:

The Company is exploring the possibility of alternate source of energy.

III) The capital investment on energy conservation equipment:

There was no capital investment on energy conservation equipment during the reporting year.

B) TECHNOLOGY ABSORPTION

New grades developed:

GRADE	APPLICATION	FUTURE PLAN :
Grade3	Bearing Ball	i) Installation of Super Alloy Steel making: a) ESR-II (1.8 T Capacity) - Successfully commissioned ESR-I (22 T Capacity) - Successfully commissioned b) 6.5 T Vacuum Induction Melting is under commissioning trials. c) 18T Vacuum Arc Remelting order placed and material arrived at site in July 2022. ii) Other ongoing projects: a) Downstream of Blooming Mill. b) Installation of Ingot Annealing Furnace c) Installation of new Pickling Plant & IVD d) Installation of Coil Spheroidizing Furnace with new shed e) Installation of LRF-3 f) 4 th Strand in CCM-1 g) Installation of Iron Ore Crusher Plant h) Installation of Abrasive Saw Machine in BSM i) Installation of Shot Blasting Machines for Rebar and Coils j) Installation of Forging Plant k) Installation of Quenching pipe for TMT rolling in BSM
1.4828	-	
H420PA (13% Cr)	Oil & Gas Production	
AISI409NB	-	
SS410	Shielding Plug	
WSS-M1A340-A2	Crankshaft	
AISI O1	Tool & Die Steel	
SS441	-	
S53CG	Bearing	
21-4N	Valves Steel	
SA182 F91	Creep Resistant steel	
54SiCr6	-	
1.4362(Rib Bar)	Duplex Stainless	
30MnCrB5	Leaf Spring	
80CrV2	Cutting tool	
40Ni6Cr4Mo3	-	
X46Cr13	-	
HC82A	Tyre Chord	
22Mn6	Synchro cones	
S7	Tool & Die Steel	

190 mm peeled and polished size was developed in Bright Bar.

BENEFITS

New market development for critical auto components.

Expenditure on Research & Development :

Sr. No.	Particulars	2020 - 21	2021 - 22
1	Capital (₹ in Lakh)	-	162.4
2	Recurring (₹ in Lakh)	38.43	71.76
3	Total (₹ in Lakh)	38.43	234.16
4	Total R&D Expenditure as a percentage of net turnover	0.0203%	0.0869%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakh)

Particulars	2020 - 21	2021 - 22
i) Earnings : Export of Goods	1,895	4,546
ii) Out Go :		
a) CIF Value of imports	7,753	44,909
b) Others including Technical Services	152	115

For and on behalf of the Board

Place : Nagpur
Date : 12th August, 2022

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

**ANNEXURE 'II' TO BOARD'S REPORT
ANNEXURE 'II'**

1. Brief outline on CSR Policy of the Company.

The Board of Directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee to implement or monitor implementation of CSR activities as per the CSR Policy of the Company.

The CSR activities are carried out and monitored mainly through in-house Departments of the Company. Moreover, 'Sunflag Foundation, a Section 8 Company (not for profits), was incorporated, as a Wholly-owned Subsidiary of Sunflag Steel, appointed as an Implementing Agency to carry out the CSR activities as per CSR Policy of the Company.

The CSR Committee has formulated a comprehensive Corporate Social Responsibility (CSR) Policy to cover various activities like Promotion of Education and Health Care, Rural Development, Water Conservation, Protection of Flora and Fauna, Environment Sustainability and other activities or project/s, which are in accordance with the provisions of Section 135 and Schedule VII to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Members are requested to refer the CSR Policy of the Company for more specific details, the same together with details of activities, expenditure, projects etc. are placed on the following weblink of the Company's website www.sunflagsteel.com:

Weblink- <https://www.sunflagsteel.com/wp-content/uploads/2018/03/SISCO-CSR-Policy.pdf>.

2. The Composition of the CSR Committee:

S.N.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ravi Bhushan Bhardwaj	Chairman, Non-executive Director	5	4
2	Dr. E. R. C. Shekar	Member, Non-executive Independent Director	5	5
3	Mr. Kumar Jitendra Singh	Member, Non-executive, Independent Director	5	5
4	Mr. Surendra Kumar Gupta	Member, Deputy Managing Director	5	5
5	Mr. Pranav Bhardwaj	Member, Managing Director	5	1
6	Mr. Ramchandra V. Dalvi	Member, Director (Technical)	5	4

3. Provide the web-link where Composition of CSR Committee, CSR projects approved by the Board are disclosed on the website of the Company:

Company's website : www.sunflagsteel.com

Weblink: <https://sunflagsteel.com/wp-content/uploads/2021/08/Details-of-Committees.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any : Nil

S.N.	Financial Year	Amount available for set-off from preceding Financial Year (₹)	Amount required to be set-off for the Financial Year, if any (₹)
		Nil	

6.	Average net profits of the Company as per Section 135(5)	1,46,65,98,632
7.	a) Two percent (2%) of the average net profit of the Company as per Section 135(5)	2,93,31,973
	b) Surplus arising out of the CSR projects or programs or activities of the previous Financial Year	-
	c) Amount required to be set off for the Financial Year, if any	-
	d) Total CSR obligation for the Financial Year (7a + 7b - 7c)	2,93,31,973

8.a) CSR Amount spent or unspent for the Financial Year 2021-22

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Total Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
1,96,43,757/-	1,00,00,000	30.04.2022	-	-	-

(b) Details of CSR Amount spent against ongoing projects for the Financial Year:

1	2	3	4		5	6	7
S.N.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes / No)		Location of the Project	Project duration	Amount allocated for the project (₹)
			State	District			
1	Construction of Auditorium	Promoting Education	Yes (Maharashtra)	Bhandara	Warthi, Bhandara	3 Years	4,00,00,000
2	Equipment under COVID 19 relief project	Disaster Management, including Relief, Rehabilitation and Reconstruction Activities.	Yes (Maharashtra)	Bhandara & Other District	Maharashtra	1 Year	45,00,000
3	Construction of the Auditorium-Phase II	Promoting Education	Yes (Maharashtra)	Bhandara	Warthi, Bhandara	3 Years	1,00,00,000

8	9	10	11	
Amount spent in the current Financial Year (₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹)	Mode of Implementation Direct (Yes / No)	Mode of Implementation through implementing Agency	
			Name	CSR Registration Number
0	4,00,00,000	No	Sunflag Foundation	CSR00016672
45,00,000	Nil	No	Sunflag Foundation	CSR00016672
0	1,00,00,000	No	Sunflag Foundation	CSR00016672

(c) Details of CSR Amount spent against other than ongoing projects for the Financial Year :

S.N.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes / No)	Location of the Project		Amount spent for the project (₹)	Mode of Implementation Direct (Yes / No)	Mode of Implementation through implementing Agency	
				State	District			Name	CSR Registration Number
1.	Promoting health care including preventive health care	Promoting health care including preventive health care	Yes	Maharashtra	Bhandara & Chandrapur	3,50,000	No	Sunflag Foundation	CSR00016672
2.	Promoting education	Special education and employment enhancing vocation skills especially among children, women	Yes	Maharashtra	Bhandara & Chandrapur	11,05,890	No	Sunflag Foundation	CSR00016672
3.	Promoting safe drinking water	Making available safe drinking water	Yes	Maharashtra	Bhandara & Chandrapur	20,99,408	No	Sunflag Foundation	CSR00016672
4.	Promoting Sports & Cultural Activities	To promote Sports (Rural & National)	Yes	Maharashtra	Bhandara, Chandrapur & Nagpur	51,30,760	No	Sunflag Foundation	CSR00016672
5.	Relief under COVID 19 Pandemic	Disaster management, including relief	Yes	Maharashtra	Bhandara & Chandrapur	88,67,004	No	Sunflag Foundation	CSR00016672
6.	Rural Development	Rural Development Projects	Yes	Maharashtra	Bhandara & Chandrapur	5,61,320	No	Sunflag Foundation	CSR00016672
7.	Environment Sustainability & Protection of Flora & Fauna	Ensuring environmental sustainability	Yes	Maharashtra	Bhandara & Chandrapur	15,29,375	No	Sunflag Foundation	CSR00016672
Total						1,96,43,757			

- (d) Amount spent in Administrative Overheads - Nil
- (e) Amount spent on Impact Assessment, if applicable - Not Applicable
- (f) Total Amount spent for the Financial Year - ₹ 1,96,43,757/-
- (8b+8c+8e)

(g) Excess amount for set off, if any

S.N.	Particular	Amount (₹)
i	Two percent (2%) of the average net profit of the Company as per Section 135(5)	2,93,31,973
ii	Total amount spent for the Financial Year	1,96,43,757
iii	Excess amount spent for the Financial Year (ii - i)	-
iv	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v	Amount available for set off in succeeding Financial Years (iii - iv)	-

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

S.N.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (₹)	Amount spent in the reporting Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (₹)
1	FY 2017-18	66,65,726	-	-	-	-	66,65,726
2	FY 2018-19	1,57,74,757	-	-	-	-	1,57,74,757
3	FY 2019-20	1,55,67,853	-	-	-	-	1,55,67,853
4	FY 2020-21	45,00,000	45,00,000	-	-	-	-
	TOTAL	4,25,08,336	45,00,000	-	-	-	3,80,08,336

9. (b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s) :

S.N.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of the reporting Financial Year (₹)	Status of the project- Completed / Ongoing
1.	P-1	Construction of Auditorium	2019-20	3 Years	4,00,00,000	-	-	Ongoing
2.	P-2	Equipment under COVID 19 relief project	2021-22	1 Year	45,00,000	45,00,000	-	Completed

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset wise details)(a) Date of creation or acquisition of the capital asset(s) - **Not Applicable**(b) Amount of CSR spent for creation or acquisition of capital asset - **Not Applicable**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. - **Not Applicable**(d) Provide details of the capital asset(s) created or acquired (including complete address and the location of the capital asset) - **Not Applicable****11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5)**

Out of amount of ₹ 2,93,31,973/- [Statutory Minimum amount required to be spent as per Section 135(5)], ₹ 1,96,43,757/- have been spent and ₹ 1,00,00,000/- have been allocated for "Construction of the Auditorium (Project P-1) - Phase II [tenure 3 years]" during the Financial Year 2021-22.

ANNEXURE 'III' TO BOARD'S REPORT**Form No. MR – 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR 2021-2022 ENDED 31 MARCH 2022****[Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended)]**

To
The Shareholders (Members)
Sunflag Iron and Steel Company Limited
C I N – L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur – 440001
Nagpur – 440001, Maharashtra – India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sunflag Iron and Steel Company Limited** (hereinafter called as '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts or statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information and explanation/s provided by the Company, its officers, agents and authorised representatives, during the conduct of Secretarial Audit, review of management representation letter along with quarterly compliance report/s by respective department head/s, Company Secretary, Chief Financial Officer, Deputy Managing Director, noted and taken on record by the Board of Directors of the Company, at their meeting/s, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, we do hereby report that, in our opinion, the Company has, during the audit period covering the financial year 2021–2022 ended 31 March 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board–processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year 2021–2022 ended 31 March 2022 according to the provisions of:-

- i) The Companies Act, 2013 ('the Act') read with the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') read with the rules made there under;
- iii) The Depositories Act, 1996 read with Regulation and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 read with the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations, Circulars and Guidelines [as amended] prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"];
 - b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - f) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – Not Applicable to the Company during the audit period;
 - g) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – Not Applicable to the Company during the audit period;
 - h) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – Not Applicable to the Company during the audit period;
 - i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – Not Applicable to the Company during the audit period;
 - j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable to the Company during the audit period;
 - k) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 – Not Applicable to the Company during the audit period; and
 - l) The other Regulations, Circulars and Guidelines [as amended] of Securities and Exchange Board of India (SEBI) to the extent and as may be applicable to the Company during the audit period.

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

- i) The Secretarial Standards [SS–1 for Meetings of the Board of Directors, SS–2 for General Meetings and SS–3 for Dividend] issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, to the extent and as may be applicable to the Company.
- ii) The Uniform Listing Agreement/s entered into by the Company with BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended], ["Listing Regulations"].

During the audit period [financial year 2021–2022 ended 31 March 2022] under review, the Company has duly complied with the provisions of the Act, Rules, Regulations, Circulars, Guidelines, Standards, etc. mentioned above.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:-

- i) The Mines Act, 1952 read with the Rules made there under;
- ii) The Mines and Mineral (Regulation and Development) Act, 1957 read with the Rules made there under;
- iii) The Indian Boilers Act, 1923;
- iv) The Explosives Act, 1884 read with the Rules made there under;
- v) The Environment (Protection) Act, 1986 read with the Rules made there under;
- vi) The Water (Prevention and Control of Pollution) Act, 1974 read with the Rules made there under;
- vii) The Air (Prevention and Control of Pollution) Act, 1981 read with the Rules made there under;
- viii) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- ix) The Indian Electricity Act, 1910 read with the Rules made there under;
- x) The Electricity Act, 2003 read with the Rules made there under;
- xi) The Foreign Trade (Development and Regulation) Act, 1992;
- xii) The Legal Metrology Act, 2009.
- xiii) The Micro, Small and Medium Enterprises Development Act, 2006;

We further report that :-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director/s, Non-executive Director/s and Independent Director/s including Woman Director/s. The changes in the composition of the Board of Directors that took place during the audit period under review, were carried out in compliance with the provisions of the Act.

Adequate notice, agenda and detailed notes on agenda, generally of seven days in advance, except where consent of requisite number of Director/s was received for scheduling meeting at a shorter notice, was given to all the Director/s to schedule the Board and its Committee meeting/s. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting/s duly recorded and signed by the Chairman, all decisions at the Board and its Committee meeting/s, as the case may be, are carried out unanimously and no dissenting views have been recorded.

We further report that as per the information and explanations given to us and the representation made by the management and relied upon by us, there are adequate systems, processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable Laws, Rules, Regulations, Circulars, Guidelines, Standards, etc. to the Company.

We further report that during the audit period [financial year 2021–2022 ended 31 March 2022], the Company has following specific events or actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Circulars, Guidelines, Standards, etc.:-

- (1) BSE Limited (BSE), vide Notice through e-Mail Communication, Ref. No. SOP-CReview-Mar2022 of Monday, the 14 March 2022, referring to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 Dated 22 January 2020 read with respect to penal actions prescribed for non-compliance of certain provisions of the SEBI (LODR) Regulations, 2015 and Standard Operating Procedure for suspension and revocation of trading of specified securities of listed entities, has observed that the Company is a Non-compliant / Late-compliant in respect of Regulation 29(2) / 29(3) of the SEBI (LODR) Regulations, 2015 – Delay in furnishing prior intimation about the One Hundred Eighty-Seventh (187) Meeting of Board of Directors of the Company held on 10 February 2022 for an Agenda Item regarding Fund Raising and accordingly, has levied a Fine of ₹ 10,000/- (₹ Ten Thousand) Plus GST @18%, [₹ 1,800/- (₹ One Thousand Eight Hundred)], Total Fine Payable is ₹ 11,800/- (₹ Eleven Thousand Eight Hundred).

The Company, through its reply communication vide Ref. No. SECY/SE/SOP/2022/58-59 of Saturday, the 19 March 2022, has submitted the requisite information and clarification together with its request application for waiver of fine or penalty. We have been informed by the Company that the Company's aforesaid submission together with its request application for waiver of fine or penalty is under consideration before the concerned authorities at BSE Limited (BSE).

- (2) National Stock Exchange of India Limited (NSE), vide Notice Ref. No. NSE/LIST-SOP/COMB/FINES/0833 of Monday, the 14 March 2022, referring to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/12 Dated 22 January 2020 (hereinafter referred to as 'SOP Circular'), specifying Standard Operating Procedure for imposing fines and suspension of trading in case of non-compliance with Listing Regulations, has observed that the Company has not complied / delayed complied with certain Listing Regulation/s - Regulation 29(2) / 29(3) of the SEBI (LODR) Regulations, 2015 – Delay in furnishing prior intimation about the One Hundred Eighty-Seventh (187) Meeting of Board of Directors of the Company held on 10 February 2022 for an Agenda Item regarding Fund Raising and accordingly, has levied a Fine of ₹ 10,000/- (₹ Ten Thousand) Plus GST @18%, [₹ 1,800/- (₹ One Thousand Eight Hundred)], Total Fine Payable is ₹ 11,800/- (₹ Eleven Thousand Eight Hundred).

The Company, through its reply communication vide Ref. No. SECY/SE/SOP/2022/58-59 of Saturday, the 19 March 2022, has submitted the requisite information and clarification together with its request application for waiver of fine or penalty. We have been informed by the Company that the Company's aforesaid submission together with its request application for waiver of fine or penalty is under consideration before the concerned authorities at National Stock Exchange of India Limited (NSE).

Note:- The Government of India is satisfied that the country is threatened with the spread of COVID-19 epidemic which has already been declared as a Pandemic by the WHO, and has considered it necessary to take effective measures to prevent its spread across the country and that there is a need for consistency in the application and implementation of various measures and accordingly, has issued necessary directions for strict implementation of lockdown across the country.

Accordingly, the issue of this Secretarial Audit Report in Form No. MR-3, is subject to the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode.

Signed and Issued on this Friday, the 12 day of August 2022 at Nagpur.

**For Messers Mukesh Parakh & Associates
Company Secretaries
Unique Identification Number S2015MH344000**

**CS Mukesh Dulichandji Parakh
Proprietor
Membership No. FCS - 4343
Certificate of Practice No. 13693
Peer Review Certificate No. 846/2020**

Unique Document Identification Number (UDIN): F004343D000789578 Dated 12 August 2022.

Note : This Secretarial Audit Report is to be read with our letter of even date which is annexed as an Annex A and forms an integral part of this Report.

Annex A

**To
The Shareholders (Members)
Sunflag Iron and Steel Company Limited
C I N – L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur – 440001
Nagpur – 440001, Maharashtra – India**

Our Secretarial Audit Report of even date is to be read along with this letter:-

1. Management's Responsibility

- It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
- 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.

2. Auditor's Responsibility

- Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 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, the processes and practices that we followed provide a reasonable basis for our opinion. We also believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

3. Disclaimer

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.

Signed and Issued on this Friday, the 12 day of August 2022 at Nagpur.

**For Messers Mukesh Parakh & Associates
Company Secretaries
Unique Identification Number S2015MH344000**

**CS Mukesh Dulichandji Parakh
Proprietor
Membership No. FCS - 4343
Certificate of Practice No. 13693
Peer Review Certificate No. 846/2020**

Unique Document Identification Number (UDIN): F004343D000789578 Dated 12 August 2022.

ANNEXURE 'IV' TO BOARD'S REPORT

CERTIFICATE**Prevention of Sexual Harassment of Women at the Workplace and its Prohibition and Redressal***[Pursuant to Section 22 & 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013]*

This is to certify that:-

Sunflag Iron and Steel Company Limited ("the Company") has in place an Anti-Sexual Harassment Policy in line with the requirements of the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees, etc.) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed-off during the Financial Year 2021-22 under review:

Number of Complaints received	NIL
Number of Complaints disposed off	NIL

For and on behalf of the Board

Nagpur
12th August, 2022

Mr. Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

MANAGEMENT DISCUSSION AND ANALYSIS

Sunflag Iron and Steel Company Limited (**SUNFLAG STEEL**) had set up a 'state of the art' Integrated Steel Plant at Warthi, Bhandara Road in the State of Maharashtra, to produce high quality Special Steels with manufacturing facilities like Sponge Iron Plant, Mini Blast Furnace, Sinter Plant, Captive Power Plant, Steel Melt Shop, Continuous Casting Machine with EMS facility, Ingot Casting and Rolling Mills. Modern annealing facilities include Bell annealing furnace, hardening and tempering, Electric annealing furnace. Bright Bar facilities like peeling machine, Combined drawing machine, Wire drawing units, coil to bar peeling machine, polishing & grinding lines and heat treatment facilities are available for value addition. Further, Ultramodern inspection and testing facilities which include Phased Assay Auto Ultrasonic testing machine, Magna flux leakage test, Eddy current test, MPI and mobile / XRF Spectrometer, Anti mix testing for assuring best quality.

SUNFLAG STEEL has established itself as a major global force. With the modern complex pulsating with world class technology, expert human resources and a commitment to excellence, **SUNFLAG STEEL** has become a reputed supplier in Flat Bars, Round Bars, Bright Bars and Wire Rods of Alloy Steel, Spring Steel, Ball Bearing Steel and Stainless Steel and captured better position in these market segments. **SUNFLAG STEEL** is also embarking on an export thrust and is regularly supplying to various customers in South East Asian, North American and South American Countries, East African Countries, Europe, Japan, Taiwan, China, Turkey, South Korea and Vietnam.

With Ultramodern Blooming Mill, **SUNFLAG STEEL** can cater higher section requirement for Automobile, Heavy Engineering, Railways, Defence and Aerospace requirements with higher reduction ratio. Further, with Bottom poured ingot facilities, **SUNFLAG STEEL** is catering special requirements of Railways and Defence for critical / core applications.

SUNFLAG STEEL has added facilities like Electro Slag Refining (ESR); Vacuum Induction Melting (VIM) and Vacuum Arc Remelting (VAR), which will cater to Aerospace and Defence.

SUNFLAG STEEL is actively involved in development activities for import substitution of the special steel with the help of Ministry of Steel.

SUNFLAG STEEL is developing various Special Steels which are presently not being made in India. The grades developed are in bearing grades for ball application, soft magnetic ferritic stainless steel, particularly duplex, super duplex stainless steel, precipitation hardening stainless steel, tool steels and high-speed steels. **SUNFLAG STEEL** is also actively involved in various MTD Committees of Bureau of Indian Standard and involved in modification and upgradation on Indian Standard through the MTD Committee for revision of Indian Standard to meet the International Standards requirements, which facilitate the indigenisation of various grades of steel.

The objective of this Management Discussion is to present an analysis of the current Indian and World economic scenario along with the expectations from the period ahead.

GLOBAL ECONOMIC SCENARIO & OUTLOOK

A) MACRO-ECONOMIC CONDITIONS

According to the World Economic Situation and Prospects 2022 Report, produced by the United Nations Department of Economic and Social Affairs (UN DESA), Global economic recovery hinges on a delicate balance amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain constraints and rising inflationary pressures. After a global contraction of 3.4 per cent in 2020 and following an expansion of 5.5 per cent in 2021, the highest rate of growth in more than four decades, the world economy is projected to grow by 4 per cent in 2022 and 3.5 per cent in 2023. World gross product in 2021 was 1.9 per cent higher than in 2019 but still 3.3 per cent below the level of output projected prior to the pandemic. These aggregate growth figures, however, mask marked divergences in the pace of recovery across countries and regions.

Global recovery in output in 2021 was largely driven by robust consumer spending and some uptake in investment. Trade in goods bounced back, surpassing the pre-pandemic level. But growth momentum slowed considerably by the end of 2021 including in big economies like China, the European Union and the United States of America, as the effects of fiscal and monetary stimuli dissipated and major supply-chain disruptions emerged. Growth impetus generally has been weaker in most developing countries and economies in transition. While higher commodity prices have helped commodity exporting countries at large, rising food and energy prices have triggered rapid inflation, particularly in the Commonwealth of Independent States (CIS) and Latin America and the Caribbean. Recovery has been especially slow in tourism-dependent economies, notably in the small island developing States.

B) ECONOMIC OUTLOOK

Global growth is projected to slow-down from an estimated 6.1% in 2021 to 3.6% in 2022-0.8 percentage-point lower than what was envisioned in the last World Economic Outlook (WEO), largely reflecting forecast markdowns in USA and China. In USA, a revised assumption of removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages have induced a downgrade in the outlook by 1.2 percentage-points. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow down to 3.6% in 2023.

Elevated inflation is expected to persist longer, with ongoing supply chain disruptions and high energy prices continuing in 2022. Risks to the global baseline are tilted to the downside which is primarily brought by the new COVID-19 variant which may prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures have enhanced the uncertainty around inflation and policy paths.

In India and Pakistan, fiscal deficits are projected to decline gradually. At the same time, policy priorities have shifted towards capital expenditure. Amid elevated social needs, a still fragile recovery and lagging employment, it is imperative to avoid premature consolidation, however. In India, inflation is expected to decelerate throughout 2022, continuing a trend observed since the second half

of 2021 when relatively restrained food prices compensated for higher oil prices. The Reserve Bank of India has begun to taper liquidity by increasing the volume of reverse repo operations and the cash reserve ratio; it is expected to raise interest rates throughout 2022.

Monetary policy in many countries will need to curb inflationary pressures, while fiscal policy will need to prioritize health and social spending.

C) INDIAN ECONOMY

India's economic recovery is on a solid path, amid rapid vaccination progress, less stringent social restrictions and still supportive fiscal and monetary stances. GDP is projected to expand by 6.7 per cent in 2022 after a 9 per cent expansion in 2021, as base effects wane. Robust export growth and public investments underpin economic activity, but high oil prices and coal shortages could put the brakes on economic activity in the near term. It will remain crucial to encourage private investment to support inclusive growth beyond the recovery. India has taken an important step by committing to 50 per cent of its energy mix coming from renewable sources by 2030 and to reaching net-zero emissions by 2070. GDP is projected to expand by 6 per cent in 2022. Economic activity rides on export growth and the rising demand for apparel, robust remittance inflows, and accommodative fiscal and monetary policies.

Since January 2021, the widely used Purchasing Managers' Index-Manufacturing has remained in the expansionary zone (i.e. over 50) except for one month when the second wave had slowed down economic activity.

Rising capital expenditure by the government on infrastructure and an uptick in the housing cycle have been responsible for reviving the construction sector. This has allowed the consumption and production of steel and cement consumption to revert to pre-COVID levels. Statistics provided by RBI and leading real estate companies' show significant revival in the Indian residential real market in 2021 in terms of growth in sales, prices and new launches.

Government's policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment to GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years.

D) ECONOMIC AND BUSINESS OUTLOOK- GLOBAL AND INDIAN STEEL INDUSTRY

1. GLOBAL AND INDIAN STEEL INDUSTRY

The global steel industry has partially recovered with increase in global steel production by 3.7% during 2021, compared to 2020. This is primarily due to economies opening up after wide scale vaccinations, gradual commencement of economic activity, and significant change in retail consumer behaviour mainly in automotive and construction sectors. Further, increase in raw material prices mainly concerning coking coal, iron ore and oil & fuel have pushed the market prices of steel. Global crude steel production reached at 1,951 MnT in 2021, which was higher by 70 MnT than 2020. While China continued to be the largest global crude steel producer, there were moderate growth in steel production in countries such as India, Japan, USA, Germany and Brazil, amongst others, signifying normalcy in operations during the pandemic.

In FY22, crude steel production in India is estimated to increase by 18%, to reach 120 million tonnes, driven by rising demand from customers. Between April 2021 to January 2022, production of finished steel stood at 92.82 MT and the consumption of finished steel stood at 86.3 MT.

Steel companies are looking to restart expansion projects on the back of burgeoning steel processes with a capacity addition of 29 MT.

In FY22, demand for steel is expected to increase by 17% to 110 million tonnes, driven by rising construction activities. India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 86.3 MT in FY22 (till January). Between April 2021 to February 2022, exports and imports of finished steel stood at 12.2 MT and 4.3 MT, respectively.

Government has taken various steps to boost the sector including the introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrappage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles.

According to CARE Ratings, crude steel production is expected to reach 112-114 MT, an increase of 8-9% YoY, in FY22. This demand will be supported by economic recovery, government spending and enhanced liquidity. The Union Budget 2021-22 has a 34.5% YoY increase in allocation for capex at 5.54 lakh crore (US\$ 74.60 billion). The budget's focus is on creating infrastructure and manufacturing to propel the economy. In addition, enhanced outlays for key sectors such as defence services, railways, and roads, transport and highways would provide impetus to steel consumption.

2. OUTLOOK FOR STEEL INDUSTRY- OPPORTUNITIES AND THREATS

The World Steel Association in its Short-range Outlook for 2022 and 2023 has forecasted that steel demand will grow by 0.4% in 2022 to reach 1,840.2 Mt. after increasing by 2.7% in 2021. In 2023 steel demand will see further growth of 2.2% to reach 1,881.4 Mt. The forecast was made against the backdrop of the war in Ukraine and is subject to high uncertainty.

In 2021, recovery from the pandemic shock turned out to be stronger than expected in many regions, despite continuing supply chain issues and COVID waves. However, a sharper than anticipated deceleration in China led to lower global steel demand growth in 2021. For 2022 and 2023, the outlook is highly uncertain. The expectation of a continued and stable recovery from the pandemic has been shaken by the war in Ukraine and rising inflation.

Lower Chinese production and exports, and an increase in quota limit for exports to European markets, due to the ongoing Ukraine-Russia war, Indian steel players are likely to benefit. As such, the margin in exports sales mix is likely to be higher in FY23, cushioning the profitability.

A study conducted by World Steel in collaboration with the Indian Steel Association notes that the construction sector is going to be a pan-India driver of steel demand in the country. This would be driven by strong government thrust for infrastructure development and housing for all. Government initiatives such as 'Smart Cities' and 'Affordable Housing' as well as building of industrial corridors will boost India's steel demand noticeably. For the country, it means enhanced connectivity, reduced logistical costs and well-distributed development spanning all Indian states.

The industry is witnessing consolidation of players, which has led to investment by entities from other sectors. The ongoing consolidation also presents an opportunity to global players to enter the Indian market.

The steel industry and its associated mining and metallurgy sectors have seen major investments and developments in the recent past.

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.

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.

Steel industry's capacity utilisation is expected to be of the order of 80% to 90% during the fiscal 2022-23. Sunflag is mainly catering to automobile industry, and demand in this segment is expected to grow marginally in the current FY 2023. Although the recent reduction in the prices of input raw material viz. Iron ore, melting scrap etc., may ease out working capital margin, but with the increase in the interest rate may be strain on the bottom line for the large borrower. Further the recent Government policies viz. production linked incentive, semiconductor manufacturing, extension of FAME-II till 2024 are the positive outlook for the automobile industry.

OPPORTUNITIES

SUNFLAG STEEL's Super Alloy Steel manufacturing facility has been commissioned and now it shall be able cater to requirements related to Aircraft Parts, Defence, Space Vehicle, Nuclear Reactor, Super-critical Power Plants, Industrial and Vehicle Gas Turbines, Petro-Chemical Plants and other High Temp and Corrosive Applications. This will enable the Company to reduce its dependency on automotive and auto ancillary industries and create opportunity for expansion and foray in new markets.

SUNFLAG STEEL is an approved vendor to Vikram Sarabhai Space Centre and has received order for supply of high-quality steel.

Government has announced an investment of over ₹1 trillion in infrastructure. This would be a key growth driver not only for steel industry but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and infrastructure.

CURRENT CHALLENGES / THREATS

Raw material consumption is the major component in the total expenditure for **SUNFLAG STEEL**. The availability and prices of raw material viz. iron ore, coking coal, LAM coke, high value ferro alloys etc. which usually remains volatile coupled with uncertain demand in the Automobile industry are the major threats for **SUNFLAG STEEL**. Although this risk is mitigated to some extent with increase in the sales price on finished goods, but there is always some time lag in getting price increase. Further, with the delay in on-going project owing to COVID-19 and availability of funds, the Company may end up with losing opportunity to expand its market share.

With a growing NPAs in the banking sector and stringent norms being imposed by RBI, timely availability of funds for working capital needs have become major challenge for Sunflag, particularly to take care of the temporary requirement of working capital and taking advantage of market demand.

Steel industry seeks government intervention to check coking coal price. Industry body ISA has sought the government's immediate intervention to check coking coal price, which has grown three-fold to around USD 450 a tonne. The price of coking coal used to be in the range of USD 120-130 per tonne around a year back. In March 2022, coking coal prices had peaked at about USD 670 per tonne.

SUSTAINABILITY

SUNFLAG STEEL is committed to maintain its quality and has received appreciations and awards from various sources. With the continuous efforts on making clean steel, now Company is focusing on expanding its market share in other segments viz. railways and defence etc. This will protect the Company from dependency on Automobile sector.

SUNFLAG STEEL exploring better opportunities in the years to come due to continuous developments of new grades of high alloy steel as well as wire rod. Further, venturing into the self-dependency of raw materials will help in reduction in the cost of production and enhancing the profitability. This has even proved advantageous during the recessionary period which is a very good sign for the Company.

MATERIAL DEVELOPMENT

During the year under review, **SUNFLAG STEEL** could see some material change in the top line and in profitability. Indian Steel industry has been driven by availability of raw material viz. iron ore, coal, coking coal etc. and cost of labour. Consequently, the financial year under review remained volatile during the year. Further, your Company with continuous development of new grades of steel and upgradation of plant and equipment, could maintain its presence in the market particularly in automobile industry. As a result, there was an increase in the sales and profit before tax. EBIDTA as a percentage to total income for the year was 14.90% as against 13.53% for the previous year.

In order to achieve effective cost reduction and improvement in productivity, activity of Total Productive Maintenance (TPM) continued to be implemented by the Company during the Financial Year 2021-22 under review.

FINANCIAL AND OPERATIONAL PERFORMANCE:

A detailed financial performance together with segment-wise/product wise performance of the Company for the FY 2021-22 is provided in Board's Report forming part of this Annual Report.

KEY RATIOS:

As per provisions of SEBI Listing Regulations, 2015, the Key financial ratios are given below:

Particulars	FY 21-22	FY 20-21	Explanation of Y-o-Y variance higher than 25%
Debtors Turnover Ratio	10.49 Times	8.28 Times	Increase in debtors turnover is due to increase in sales by 42.65% as compared to previous year.
Inventory Turnover Ratio	3.91 Times	3.42 Times	Not significant. However, the inventory holding levels are within the acceptable levels.
Interest Coverage Ratio	7.60 Times	6.20 Times	Due to increased profitability coupled with reduction in interest on borrowings.
Current Ratio	1.53 Times	2.07 Times	Reduction in current ratio is on account of borrowing during the previous year was at minimum, which during the current year have increased.
Debt Equity Ratio	0.30 Times	0.13 Times	Increase in debt equity ratio is due to increase in borrowings in the current year.
Operating Profit Margin (%)	11.93%	9.37%	Operating profit has increased in view of higher market demand for the company's products and better realisation.
Net profit Margin (%)	8.00%	7.00%	NA
Return on Networth (%)	0.12 Times	0.09 Times	Increase in net worth is due to increased profitability (Carried forward to retained earnings).

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. For detailed information please refer Board's Report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The details of Material Development in Human Resources of the Company for the FY 2021-22 are provided in Board's Report forming part of this Annual Report.

CORPORATE GOVERNANCE

At **SUNFLAG STEEL**, we ensure that we evolve and follow the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership and governance of the Company.

Pursuant to the Listing Regulations, the Corporate Governance Report along with the Certificate from a Practicing Company Secretary, certifying compliance with conditions of Corporate Governance forms an integral part of the Annual Report.

CAUTIONARY STATEMENT

The Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning applicable to 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 economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

BUSINESS RESPONSIBILITY REPORT - 2021-22

The Business Responsibility Report (BRR) is one of the avenues to communicate the Company's obligations and performance to all its stakeholders.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs (MCA), India. In order to provide guidance to businesses regarding the responsible business conduct, Ministry of Corporate Affairs, Government of India, released a set of guidelines in 2011 called the National Voluntary Guidelines on the Social, Environmental and Economic Responsibilities of Business (NVGs).

In order to align the NVG's with the Sustainable Development Goals, as per the United Nations Guiding Principles on Business and Human Rights (UNGP), the new principles called the National Guidelines on Responsible Business Conduct (NGRBC) were formed in March, 2019.

The Business Responsibility Report of the Company describes the initiatives taken by the Company from an environmental, social and governance perspective. It is prepared as per the suggestive format as prescribed by the Securities and Exchange Board of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY:

1	Corporate Identity Number (CIN) of the Company	L27100MH1984PLC034003
2	Name of the Company	Sunflag Iron and Steel Company Limited
3	Registered Office address	33, Mount Road, Sadar, Nagpur – 440001, MH, IN Tel. No.: +91 712-2524661; Fax No.: +91 712-2520360
4	Website	www.sunflagsteel.com
5	e-mail id	investor@sunflagsteel.com
6	Financial Year reported	1 st April, 2021 to 31 st March, 2022
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Steel and Steel products National Industrial Classification (NIC) Code: 2410
8	List three key products / services that the Company manufactures/provides (as in Balance Sheet)	Flat Bar, Round Bar, Bright Bar in Carbon, Alloy and Stainless Steels
9	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations b) Number of National Locations	Nil Manufacturing facilities are situated at Warthi, Bhandara Road, Bhandara - 441905, Maharashtra, India. Coal Mines at Belgaon, Maharashtra. Registered Office at Nagpur, Maharashtra and it has branch offices mainly at Delhi, Faridabad, Thane, Chennai, Pune and Bengaluru.
10	Markets served by the Company – Local / State / National / International	Local, State, National & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY:

₹ in Lakh

		F.Y. 2021- 22 Standalone	F.Y. 2021- 22 Consolidated
1.	Paid up Capital	18,022	18,022
2.	Total Turnover a) Revenue from operations (Gross) b) Other income	2,69,826 451	2,69,826 456
3.	Total profit after taxes and Minority Interest	21,640	21,702

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): ₹ 241.44 Lakh spent on CSR activities by the Company during Financial Year 2021-22, which is 1.11% of the profit after tax for the Financial Year 2021-22.

5. List of activities in which expenditure in 4 above has been incurred:-

- Promotion of Healthcare
- Promotion of Education, Training & Skill Development
- Safe Drinking Water Facilities
- Environmental Sustainability and Protection of Flora & Fauna
- Participation in Swatch Bharat, Promoting Sports & Cultural Activities
- Relief under COVID - 19 Pandemic
- Rural Development

1. Does the Company have any Subsidiary Company/ Companies? : **Yes**

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s):**
Subsidiary Companies in their usual business activities and issues related to business responsibilities adopt and practice the Parent Company's principles and policies, though there are no such formal agreement therefor.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:**
The Company has no such arrangements with other business entities, being its suppliers, distributors etc., however they are encouraged to adopt such practices and follow the principle of being a responsible business entity.

1. Details of Director(s) responsible for BR

1. DIN :00054836
2. Name : Mr. Surendra Kumar Gupta
3. Designation : Deputy Managing Director

S.N.	Particulars	Details
1.	DIN Number (if applicable)	00054836
2.	Name	Mr. Surendra Kumar Gupta
3.	Designation	Deputy Managing Director
4.	Telephone number	0712-2524661
5.	e-mail Id	skgupta@sunflagsteel.com

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

a) Details of compliance (Reply in Y/N)

[illegible]

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

3. Governance related to BR:

a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.	The Executive Director and the Board of Directors review/assess on Quarterly and Annual basis respectively, the BR performance of the Company.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This report forms an integral part of the Annual Report 2021-22 of the Company. The Annual Report along with the BR Report will be uploaded every year on the web site of the Company at www.sunflagsteel.com .

SECTION E: PRINCIPLE-WISE PERFORMANCE:
Principle 1 - Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes. The Policy relating to ethics, bribery and corruption covers the Company and the values and principles of the Company are normally practiced in the conduct of the business by its wholly owned subsidiaries. All suppliers, partners and others are expected to adopt the policy.
2.	How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	During the year under review, 17 queries/ grievances were received from the shareholders of the Company and had been duly replied/addressed. All the queries received from the other stakeholders were duly replied, no such major complaint has been received under the investigation mechanism from any stakeholder.

Principle 2 - Businesses should provide goods and services in a manner that is sustainable and safe

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	a) Stainless Steels : Stainless Steels are 100% recyclable, environment friendly and with long life. Stainless Steel Rebars were developed to achieve long life. b) Steel for Turbine Blades : Turbine Blade steel is used in manufacture of steam turbines for Power Plants. c) Steel for Defence : Sunflag is one of the major manufacturers of Steel for Bombshells and Gun barrels for Defence.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional). a) Reduction during sourcing/ production /distribution achieved since the previous year throughout the value chain? b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	<p>Company is certified for ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System). Company is continuously engaged in environment friendly initiatives like Energy conservation, Water conservation, reduction in emissions, waste minimization, waste recycling. (please refer Principle 6 for details).</p> <p>There was no reduction in the overall value chain in sourcing costs during the year 2021-22.</p> <p>The Company is persistently engaged in taking measures to conserve the energy (please refer to Annexure- I to the Board's Report).</p>
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	<p>Yes, Company ensures sustainable sourcing through responsible supply chain procurement practices and selection criteria focused on Quality, Environment, Health and Safety compliances as per SOPs defined in IATF 16949, ISO 14001 and ISO 45001.</p> <p>As already explained, Company is giving utmost importance to sustainable sourcing based on systems, however, it is difficult to quantify exactly in terms of percentage.</p>
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a) If yes, what steps have been taken to improve their capacity and capability of local & small vendors?	<p>Yes</p> <p>As a part of vendor development programme defined in IATF 16949, SISCO develops local and small vendors in the proximity of the plant every year. Technical assistance is given wherever required and audits are conducted to ascertain capability.</p>
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	As per last year Environment Audit Report 2020-21 - Solid waste recycle/reuse in plant is @ 94.07% and landfill is @ 5.93%.

Principle 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains.

1.	Please indicate the Total number of employees.	1206 as on 31 st March, 2022 (Permanent Employees).
2.	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	1908

3.	Please indicate the Number of permanent women employees.	05			
4.	Please indicate the Number of permanent employees with disabilities.	04			
5.	Do you have an employee association that is recognized by management?	Yes			
6.	What percentage of your permanent employees is members of this recognized employee association?	38.08%			
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending at the end of the Financial Year.	S. N.	Category	No. of complaints filed during the FY 2021-22	No. of complaints pending at the end of the FY 2021-22
		1.	Child Labour/Forced Labour/Involuntary Labour	0	0
		2.	Sexual Harassment	0	0
		3.	Discriminatory Employment	0	0
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a) Permanent Employees b) Permanent Women Employees c) Casual / Temporary / Contractual Employees d) Employees with Disabilities	Safety Training Provided during 2021-22 : 51.23% and Skill up-gradation : 82.8 %. Safety Training Provided during 2021-22 : 50% and Skill up-gradation : 75 %. Safety Training Provided during 2021-22 : 92.5 % and Skill up-gradation : 72.5 %. Safety Training provided during 2021-22 : 75 % and Skill up-gradation : 75 %.			

Principle 4 - Businesses should respect the interests of and be responsive to all their stakeholders.

1.	Has the Company mapped its internal and external stakeholders?	Yes, the internal and external stakeholders of the Company are its Employees, Customers, Government authorities, Suppliers, Charitable organisations, Trade and Chamber associations, Shareholders and the Society.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	All stakeholders are equally important for the Company. Through CSR activities, Company is committed for the betterment of poor and underprivileged.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	Under the CSR initiatives, as already mentioned in Board's Report, Company is contributing towards vulnerable and marginalized stakeholders.

Principle 5 - Businesses should respect and promote human rights.

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?	Although Company or its Subsidiaries / Joint Ventures do not have any separate policy on human rights, it has been practicing to respect human rights as a responsible corporate citizen, without any gender discrimination and exploitation.
2.	How many stakeholder(s) complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	Company has not received any complaints from any stakeholder relating to human rights during the Financial Year 2021-22.

Principle 6 - Businesses should respect and make efforts to protect and restore the environment.

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures/ Suppliers/ Contractors/NGOs/others ?	Only the Company. Other stakeholders are expected to adopt the policy.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company is conscious of the global environment issues. Company ensures emissions like SOx and NOx to be within acceptable limits. Company is also committed to water conservation, energy conservation and tree plantation. Refer to Annexure- I to the Board's Report 2021-22 at www.sunflagsteel.com .

3.	Does the Company identify and assess potential environmental risks? Y/N	Yes
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	<p>Clean Development Mechanism – Company's Sinter Plant utilizes Solid waste, Hazardous waste and Effluents.</p> <p>Sinter Plant Process:</p> <p>Sinter used in Mini Blast Furnace (MBF) upto 80% of total iron ore requirement. Sinter Plant has ability to reuse all solid waste & Hazardous waste /under size material generated in iron & steel making process containing oxides, carbon and flux material. Usually, these materials are land filled at the plant site or are hauled away for disposal, they must be recycled or disposed of properly. The recycling of waste materials via the sintering process has helped to achieve a saving in the cost of the raw materials (for example, fuels and ore) and reduction in pollution.</p> <p>To control the Air Pollution, Secondary Fume Extraction System (FES) is installed at Steel Melt Shop, ESP used at DRP, CPP and Sinter Plant.</p> <p>Half yearly Environment compliances report is submitted to MoEFCC.</p>
5.	Has the Company undertaken any other initiatives on – Clean Technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes -(1) Mini Blast Furnace (MBF) gas is used as a fuel, to replace partly Furnace oil, Coal etc. of Rolling Mills, CPP, Sinter Plant, Hardening & Annealing furnaces etc. (2) LPG is used for Annealing furnaces. (3) Replaced all lights of Plant, Guest House & Colony with LED lights. (4) 10 nos. Solar lights were installed on roads. (5) Solar Water Heaters installed at Guest House.
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes, already available in Environment Audit Report submitted to Maharashtra Pollution Control Board.
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) at the end of Financial Year.	No show cause/ legal notices were received from CPCB/SPCB during the Financial Year 2021-22.

Principle 7 - Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	<p>The Company is a member of various trade and chamber or association, mainly:</p> <p>(a) Confederation of Indian Industries (CII)</p> <p>(b) TPM Club of India</p> <p>(c) Quality Circle Forum of India</p> <p>(d) Alloy Steel Producers Association (ASPA)</p>
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (such as Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	Company is actively in touch with various organizations for improvement of various economic and social policies for sustainable development.

Principle 8 - Businesses should promote inclusive growth and equitable development.

1.	Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	<p>Yes, under its CSR activities such programmes and projects are undertaken by the Company. The details of the projects undertaken and expenditure made are given in Annexure- II to the Board's Report 2021-22. Some of the key areas under which the projects / programmes / initiatives are undertaken are as follows:</p> <p>a. Promotion of Healthcare.</p> <p>b. Promotion of Education, Training & Skill Development.</p> <p>c. Participation in Swachh Bharat, Promoting Sports & Cultural Activities</p> <p>d. Providing Safe Drinking Water Facilities</p> <p>e. Environmental Sustainability and Protection of Flora & Fauna</p> <p>f. Relief under COVID-19 Pandemic</p> <p>g. Rural Development</p>
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2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organization?	The Company's Social Projects are carried on under the Company's CSR Policy by M/s. Sunflag Foundation, a Section 8 Company which is the wholly owned subsidiary of the Company and operates as an Implementing Agency for the Company.																											
3.	Have you done any impact assessment of your initiative?	Representatives of the Company regularly visit places where CSR activities were carried out. The impact and benefits to society are reviewed on regular basis.																											
4.	What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken	<p>Under its CSR activities during the Financial Year 2021-22, Company has contributed to various community development areas and projects as detailed below:</p> <table border="1"> <thead> <tr> <th>Sr.</th><th>Particular</th><th>Amt. Spent (₹)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Promotion of Healthcare</td><td>3,50,000</td></tr> <tr> <td>2.</td><td>Participation in Swach Bharat, Promoting Sports & Cultural Activities</td><td>51,30,760</td></tr> <tr> <td>3.</td><td>Promotion of Education, Training & Skill Development</td><td>11,05,890</td></tr> <tr> <td>4.</td><td>Relief under COVID - 19 Pandemic</td><td>1,33,67,004</td></tr> <tr> <td>5.</td><td>Safe Drinking Water Facilities</td><td>20,99,408</td></tr> <tr> <td>6.</td><td>Environmental Sustainability and Protection of Flora & Fauna</td><td>15,29,375</td></tr> <tr> <td>7.</td><td>Rural Development</td><td>5,61,320</td></tr> <tr> <td></td><td>Total</td><td>(*)2,41,43,757</td></tr> </tbody> </table> <p>* Includes Rs.45 Lakh spent on Project P-2 during FY 2021-22</p>	Sr.	Particular	Amt. Spent (₹)	1.	Promotion of Healthcare	3,50,000	2.	Participation in Swach Bharat, Promoting Sports & Cultural Activities	51,30,760	3.	Promotion of Education, Training & Skill Development	11,05,890	4.	Relief under COVID - 19 Pandemic	1,33,67,004	5.	Safe Drinking Water Facilities	20,99,408	6.	Environmental Sustainability and Protection of Flora & Fauna	15,29,375	7.	Rural Development	5,61,320		Total	(*)2,41,43,757
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	Total	(*)2,41,43,757																											
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, the CSR activities were carried out as per Company's Policy. The Procedure for identification of activities includes requests from concerned Gram-Panchayats, approach to elected body of villages / senior citizens, old age home, District Collector Office. Assessment of need is done by CSR sub-committee and thereafter approval is obtained. The Company continuously monitors the progress of activities and its impact for the betterment of community.																											

Principle 9 - Businesses should engage with and provide value to their consumers in a responsible manner.

1.	What percentage of customer complaints/consumer cases are pending at the end of Financial Year?	0% (None of the complaints are pending as on 31 st March, 2022).
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No /N.A. /Remarks (additional information)	All Company's despatches are accompanied by Test Certificates and detailed information on the product.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending at the end of Financial Year. If so, provide details thereof, in about 50 words or so.	There is no case filed/pending against the Company regarding unfair trade practices, irresponsible advertising or anti-competitive behavior as on 31 st March, 2022.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Company regularly carries out consumer satisfaction surveys.

CORPORATE GOVERNANCE REPORT

Brief Statement on the Company's Philosophy on Code of Corporate Governance

At **SUNFLAG STEEL**, Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers, together with the Company's ongoing contributions to local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive Company in our industry and our mission to create value for all our stakeholders.

Your Company has already implemented the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"], as amended. Your Company has in its place 'SISCO Code of Business Principles and Conduct' for its Board Members (including Non-executive, Independent Director/s) as well as Members of Senior Management. The Company is following 'SISCO Code for Prevention of Insider Trading' as per the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Company has also formulated various Codes and Policies as required and/or in compliance with the Companies Act, 2013 read with the rules made there under as well as the Listing Regulations and accordingly, has constituted the necessary Committee(s) thereof. All the necessary and requisite information are being posted and updated from time to time on the Company's Website www.sunflagsteel.com.

The Company always believes in compliance/s as applicable under various statutory and other rules or regulations governing the Company from time to time. As such, the Company is in due compliance of the provisions of Secretarial Standards [SS-1 for Meetings of the Board of Directors, SS-2 for General Meetings and SS-3 for Dividend] in true sense and spirit.

MANDATORY REQUIREMENTS

(1) SUNFLAG PHILOSOPHY ON CORPORATE GOVERNANCE

The Board of Directors and Management of Sunflag Iron and Steel Company Limited commits themselves to:-

- i) Strive hard towards enhancement of shareholders' value through:-
 - ▲ sound business decisions;
 - ▲ prudent financial management; and,
 - ▲ high standards of ethics throughout the organization.
- ii) Ensure transparency and professionalism in all decisions and transactions of the Company.
Achieve excellence in Corporate Governance by:-
 - ▲ conforming to and exceeding wherever possible, the prevalent mandatory guidelines on Corporate Governance; and,
 - ▲ regularly reviewing the Board processes and management systems for further improvement.
- iii) Ensure health, safety and environment management by making it an integral part of the Company's business strategy and to actively promote awareness of health, safety and environment issues throughout the Company and to our business partners.
- iv) Implement, maintain and continuously improve an environment management system.
- v) Achieve excellence in all activities by implementing Total Productive Maintenance (TPM) with the involvement of all employees to reduce cost, increase productivity and improve quality continuously with the aim of achieving **"Zero Failure, Zero Defect and Zero Accident Objective"**.
- vi) The Vision and Mission of the Company:-



2) BOARD OF DIRECTORS

a) **Composition:** The Board of Directors of the Company as on 31st March, 2022 consisted of:-

Non-executive Director/s	Executive Director/s
Promoter Group Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) Non-executive Chairman Mr. Suhrit Ravi Bhushan Bhardwaj (DIN - 02318190) Non-executive Director	Promoter Group Mr. Pranav Bhardwaj (DIN - 00054805) Managing Director
Non-Promoter Group - Independent Director/s Dr. E.R.C. Shekar (DIN - 00013670) Mr. Kumar Jitendra Singh (DIN - 00626836) CA Neelam Kothari (DIN - 06709241) Mr. Sajiv Dhawan (DIN - 00160085) Mr. Anand Sadashiv Kapre (DIN - 00019530) CA Vinita Bahri (DIN - 03109454)	Non-Promoter Group - Non - Independent Mr. Surendra Kumar Gupta (DIN - 00054836), Deputy Managing Director CA Rambhatla Muralidhar (DIN - 00982212), Director (Finance) Mr. Ramchandra Vasant Dalvi (DIN - 00012065) Director (Technical)

b) **Meetings, agenda and proceedings etc. of the Board of Directors :-**

The attendance of the Director/s at the Board Meeting/s and 35th Annual General Meeting of the Company, Details of their Directorship in other Companies, Partnership in other Firms or LLP and Membership in the Board Committee/s of the Company and other Listed Companies as on 31st March, 2022 :

- Six (6) meeting/s of the Board were held on 29th May, 2021, 12th July, 2021, 30th July, 2021, 13th September, 2021, 12th November, 2021 and 10th February, 2022 during the financial year 2021-22 under review.
- Thirty-fifth (35th) Annual General Meeting (AGM) was held on 13th September, 2021.

Sr. No.	Name of Director	No. of Board Meetings Attended	Whether Attended last AGM	Directorship in other Companies#	Partnership in Firm or LLP	Committee Membership in Listed Companies including Sunflag
1	Mr. Ravi Bhushan Bhardwaj	6	Yes	3	-	4
2	Mr. Pranav Bhardwaj	4	Yes	6	-	4
3	Dr. E. R. C. Shekar	6	Yes	3	-	8
4	Mr. Kumar Jitendra Singh	6	Yes	1	-	5
5	CA Neelam Kothari	5	No	-	1	3
6	Mr. Surendra Kumar Gupta	6	Yes	7	-	6
7	Mr. Suhrit Ravi Bhushan Bhardwaj	1	No	1	-	-
8	CA Rambhatla Muralidhar	6	Yes	4	-	3
9	Mr. Ramchandra Vasant Dalvi	6	Yes	2	1	1
10	Mr. Sajiv Dhawan	6	Yes	2	-	1
11	Mr. Anand Sadashiv Kapre	6	Yes	2	-	2
12	CA Vinita Bahri	6	Yes	-	-	-

(#) Directorship in other Companies denotes Companies other than Foreign Companies.

Details of Directors holding Directorship in other Listed Companies:

DIN	Name of Director	Name of the Listed Company	Category
00019530	Mr. Anand Sadashiv Kapre	Facor Alloys Limited L27101AP2004PLC043252	Non-Executive, Independent Director
		Facor Steels Limited L27100MH2004PLC146283 (Under Liquidation)	Non-Executive, Independent Director

None of the Directors of the Company are *inter-se* related to each other except Mr. Pranav Bhardwaj, Managing Director and Mr. Suhrit Ravi Bhushan Bhardwaj, Non- executive, Non- Independent Director who are sons of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.

None of the Independent Director/s have any material pecuniary relationship or transactions with the Company, other than receiving Sitting Fees for the Board and its Committee Meeting/s and profit based Commission from the Company.

The Board of Directors of the Company has identified the core skills / expertise / competencies as required in the context of its business and sector for it to function effectively and which are available with the Board Members, as follows :

- Industry Knowledge and Experience
 - Experience and knowledge of Industry/ Sector
 - Mining- Knowledge and Experience

- Technical Knowledge / Skills/ Experience
 - ▲ Accounting
 - ▲ Finance & Taxation
 - ▲ Legal
 - ▲ Management
 - ▲ Operational Experience
 - ▲ Sales & Marketing
 - ▲ Projects
 - ▲ Strategic Planning
 - ▲ Administrative Experience
 - ▲ Public Relations
 - ▲ Knowledge of Corporate Governance and Risk Management
- Integrity & High Ethical Standards and ability to devote time and energy to their role

The list comprising the name of Board Members of the Company and the core skills, expertise and competencies possessed by them is given hereunder :

List of Core Skills, Expertise and Competencies of the Individual Directors :

Name of Director	Skills/Expertise/Competencies													Integrity & High Ethical Standards and ability to devote time and energy to their role	
	Industry Knowledge and Experience		Technical Knowledge / Skills/ Experience												
	Experience and knowledge of Industry/ Sector	Mining- Knowledge and experience	Accounting	Finance & Taxation	Legal	Management	Operational Experience	Sales & Marketing	Projects	Strategic Planning	Administrative Experience	Public Relations	Knowledge of Corporate Governance and Risk Management		
Mr. Ravi Bhushan Bhardwaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Pranav Bhardwaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Surendra Kumar Gupta	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CA R. Muralidhar	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	
Mr. Ramchandra V. Dalvi	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Dr. E.R.C. Shekar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Kumar Jitendra Singh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CA Neelam Kothari	✓	-	✓	✓	✓	✓	-	-	-	✓	✓	✓	✓	✓	
Mr. Anand S. Kapre	✓	✓	-	✓	✓	✓	✓	-	-	✓	✓	✓	✓	✓	
Mr. Sajiv Dhawan	✓	-	✓	✓	✓	✓	-	✓	-	✓	✓	✓	✓	✓	
CA Vinita Bahri	✓	-	✓	✓	✓	✓	-	-	-	✓	✓	✓	✓	✓	
Mr. Suhrit Bhardwaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

These skills / competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills / expertise/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/expertise/experience listed above.

The Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management.

The Company ensures that all statutory, significant material information are placed before the Board or its Committees, for their information, consideration, review and ratification and/or approval, if any, to enable them to discharge their responsibilities as trustees of the large family of stakeholders. During the Financial Year 2021-22, all the information on matters mentioned in terms of Regulation 17(3) and Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) [‘Listing Regulations’] has been placed before the Board for its information, consideration, review, ratification and/or approval, if any. The Board periodically reviews compliance/s of all laws applicable to the Company.

Scheduling and selection of Agenda items for the Board and Committee Meetings :-

All departments of the Company schedule their work and plan in advance, particularly with regard to matters requiring consideration at the Board or its Committee Meeting/s.

Post meeting follow-up mechanism :-

All important decisions taken at the Board or its Committee Meeting/s are promptly communicated to the concerned department/s. Minutes of previous meeting/s are placed at the succeeding meeting/s of the Board and its Committee for information, consideration, review, ratification and/or approval, thereof.

Code of Conduct for the Board of Directors and Senior Management :-

The Code of Conduct has already been communicated to all the Members of the Board and Senior Management. The Code is also available on the Company’s website www.sunflagsteel.com. All the Members of the Board and Senior Management have confirmed, the compliance/s with the Code for the Financial Year 2021-22. The Annual Report contains a declaration to this effect signed by the Managing Director of the Company.

c) Woman Director:-

As per the provisions of the Companies Act, 2013 read with the rules made there under and Listing Regulations, CA Neelam Kothari (DIN - 06709241), Director [Category – Non-executive, Independent] and CA Vinita Bahri (DIN – 03109454) Director [Category – Non-executive, Independent], both qualified Chartered Accountants, continue as Women Directors on the Board of the Company.

d) Separate Meeting of Independent Directors:-

As stipulated by Schedule IV [Code of Independent Directors], to the Companies Act, 2013 and Regulation 25 of the Listing Regulations (as amended), a separate exclusive meeting of the Independent Director/s of the Company was held on 30th March, 2022 to review inter-alia the performance of Non-independent Directors (including the Non-executive Chairman) of the Company and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

e) Induction, Training and Familiarisation Program for the Board Members:-

The provision of an appropriate induction program for new Director/s and ongoing training for existing Director/s of the Company, is a major contributor to the maintenance of high Corporate Governance standards of the Company. Every such newly appointed Director is required to undergo through a formal induction program including the presentation on the Company's manufacturing, marketing, finance and other important aspects. The Independent Director/s, from time to time, request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The induction for Director/s includes interactive session with executive committee members, business and functional heads, visit to the manufacturing and coal mine sites, visits to locations where the CSR activities have been carried out by the Company, etc. On the matters of specialized nature, the Company engages services of outside experts and consultants for presentation and discussion with the Board Members from time to time.

The presentations are made by the management team giving an overview and familiarize the Director/s with the operations and business model of the Company. The Director/s are also apprised about the industry developments, new initiatives and strategy of the Company from time to time. The Board Members were presented with reports, internal policies and periodic presentations at the Board and its Committee meeting/s. The Board Members are also apprised of their roles, authorities, rights and responsibilities under various laws and regulations applicable to the Company, including but not limited to, the Companies Act, 2013 read with the rules made there under and the Listing Regulations, as amended, from time to time.

The details of Directors' induction and familiarization program are available on the Company's Website at - <http://www.sunflagsteel.com>.

f) Evaluation of the Board's Performance:-

During the Financial Year 2021-22, the Board continued with a formal mechanism for evaluating its performance as well as that of, its committee and individual Director/s, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and its Committee/s, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Director/s including the Chairman of the Board, who were evaluated on parameters such as attendance, contribution at the meetings, team work, adherence to ethical standards and code of conduct etc.

The evaluation of the Independent Director/s and other Board Members was carried out by the entire Board Members. The Director/s were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committee/s with the Company.

g) Agenda:-

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information, notes and documents (except for the critical or unpublished price sensitive information, which is circulated either a day before the meeting or at the meeting itself) to enable the Board and its Committee/s to take well informed decisions. The agenda also includes item related to ratification, confirmation and approval, if any, of minutes of the previous meeting/s of the Board, its Committees and Subsidiary Companies. Additional agenda item/s, if any, in the form of "Other Business" are included with the permission of the Chairman and with the consent of requisite number of Director/s present in the meeting, which shall include at least one Independent Director, if any. The agenda including notes thereof are generally circulated along with Notice before seven days prior to the Board and its Committee Meeting/s. In addition, the resolutions passed by circulation for any business exigencies, are later placed in the ensuing Board Meeting for noting of the Board Members.

The Companies Act, 2013 read with the relevant rules made there under, facilitates the participation of Director/s in the Board and its Committee Meetings through permitted audio-visual mode. Accordingly, the option to participate in the meeting through permitted audio-visual mode (subject to technical aspects) was made available for the Directors.

The Board periodically reviews the items required to be placed before it and in particular, reviews and approves the quarterly and half yearly statements of un-audited financial results and the statements of audited annual financial results, corporate strategies, business plans, annual budgets, projects and capital expenditure. The Board monitors overall operating performance, progress of major projects and review such other items which require Board's attention. It directs and guides the activities of the management towards the set goals and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with all applicable laws and regulations. The agenda for the Board meeting covers item/s set out as per the various laws and regulations applicable to the Company, including but not limited to, the Companies Act, 2013 read with the rules made there under and the Listing Regulations to the extent these are relevant and applicable to the Company.

h) Invitees and Proceedings:-

The Company Secretary is a Secretary to the Board and all its Committees, Chief Financial Officer (CFO) attends Board/Committee Meeting/s by invitation. Other senior management executives are called, as and when necessary, to provide additional inputs for the items being discussed by the Board and its Committees. The CFO gives presentation on the quarterly and annual operating - financial performance and capital expenditure budget. The Managing Director, Deputy Managing Director, Director (Finance), Chief Financial Officer (CFO) and other senior management executives give presentations on capital expenditure proposals and progress, operations, and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective Committee meetings, which are generally held prior to the Board meeting.

i) Post Meeting Action:-

Post meeting/s, all important decisions taken at the meeting were communicated to all the concerned official/s and department/s, wherever required.

j) Support and Role of Company Secretary:-

The Company Secretary is responsible for convening the Board and its Committee meetings, preparation and distribution of agenda and other documents, recording of the minutes of the meeting/s. He acts as an interface between the Board and the Management, provides required assistance or assurance to the Board and Management on compliance and governance aspects.

k) Brief Profile of Directors:-**Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) - Non-executive Chairman**

Mr. Ravi Bhushan Bhardwaj, age 78 years, Chairman [Category – Non-executive & Promoter] of the Company, hails from a renowned family of industrialists and an industrial entrepreneur himself. He has vast experience in various industries, particularly, Steel and Textile industry. He is associated with the Company since its inception as part of the Promoter and Promoter Group, working as the Vice-Chairman and Managing Director of the Company since 1st October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12th August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12th December, 2016.

He holds Directorship in Sunflag Power Limited, Supra Corporation Limited and Haryana Television Limited. He is Chairman of Corporate Social Responsibility (CSR) Committee and Share Transfer Committee and Member of Stakeholders' Relationship Committee and Nomination and Remuneration Committee and is an Invitee to Audit Committee of the Board. He does not hold any equity shares in the capital of the Company.

Mr. Pranav Bhardwaj (DIN - 00054805) - Managing Director

Mr. Pranav Bhardwaj, age 48 years, is a British National and Person of Indian Origin. He has graduated as B.Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the world-renowned Imperial College of London. Subject to the superintendence, control and direction of the Board of Directors, Mr. Pranav Bhardwaj is overall in-charge of running the business affairs of the Company. As a Managing Director, he has successfully led the Company by his unstinted efforts and wide contributions, which resulted into a better overall performance. The Company has made remarkable growth under his leadership.

He holds Directorship in Sunflag Power Limited, C T Mining Private Limited, Ramesh Sunwire Private Limited, Supra Corporation Limited, Surjagarh Metals and Minerals Limited and The Alloy Steel Producers Association of India (Section 8 Company). He is member of Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee, Share Transfer Committee and Sub-Committee of the Board of the Company. He is holding 16,12,140 (0.89%) equity shares in the capital of the Company.

Dr. E.R.C. Shekar (DIN - 00013670) - Non-executive, Independent Director

Dr. E. R. C. Shekar, age 90 years, has graduated in the Metallurgical Engineering and awarded Doctorate in that field. He was the Managing Director of Steel Authority of India Limited (SAIL). He has nearly six decades of experience in steel making and marketing. He has been associated with Sunflag Steel effective 5th September, 1991 as a Non-executive, Independent Director.

He holds Directorship in Sunflag Power Limited, Pantherun Technologies Private Limited and Khappa Coal Company Private Limited. He is the Chairman of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Project Monitoring Committee and Risk Management Committee. He is also Member of Share Transfer Committee, Corporate Social Responsibility (CSR) Committee and Sub-Committee of the Board of the Company. He is holding 2,000 (0.001%) equity shares in the capital of the Company.

Mr. Surendra Kumar Gupta (DIN - 00054836) – Deputy Managing Director

Mr. Surendra Kumar Gupta, age 73 years, graduated in Mechanical Engineering (B.E.) and thereafter pursued Diploma in Business Management. He has wide experience of over 42 years in Steel and Steel making industry. He was appointed as Director and also the Whole-time Director of the Company in July, 2007, continued on the Board thereafter and presently, the Deputy Managing Director of the Company, looking after overall affairs of the Steel Plant and Coal Mine of the Company.

He holds Directorship in CT Mining Private Limited, Khappa Coal Company Private Limited, Daido DMS India Private Limited, Ramesh Sunwire Private Limited, Supra Corporation Limited, Surjagarh Metals and Minerals Limited and Sunflag Foundation (Section 8 Company). He is Member of Share Transfer Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Monitoring Committee, Risk Management Committee and Sub-Committee of the Board of the Company. He does not hold any equity share in the capital of the Company.

Mr. Suhrit Ravi Bhushan Bhardwaj (DIN - 02318190) – Director (Category – Non-executive & Promoter)

Mr. Suhrit Ravi Bhushan Bhardwaj, age 47 years, a Kenyan National and Person of Indian Origin. He graduated as B. Sc. majoring in Chemistry and Business Management (Joint Honors Degree) from the renowned Kings College of London University.

Though he belongs to Promoter group, he preferred to join Sunflag group companies as a trainee in Kenya in the year 1997. He is having rich experience while working at basic levels through training and further heading in production, planning and control, maintenance and services, quality control, purchase, marketing, customer satisfaction and human resources management. He is instrumental in project development and commercial aspects. Presently, he is Group Managing Director of Sunflag Group, Kenya, which owns textile manufacturing units employing about 4000 employees. He is Director of Supra Corporation Limited. He holds 1,32,17,398 (7.33%) equity shares in the capital of the Company.

CA Rambhatla Muralidhar (DIN - 00982212) - Director (Finance)

CA Rambhatla Muralidhar, age 67 years, is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He joined Sunflag in the year 1993 as Manager (Finance) posted at Works and thereafter rose to the position of Executive Director (Finance) in the year 2010, one level below the Board of Directors of the Company. He also held the position of Chief Financial Officer (CFO) of the Company from the year 2001 till 30th September, 2019. Further, he was re-designated / re-classified as a Key Managerial Personnel (KMP) of the Company from 1st April, 2014. Later on, he was elevated and inducted in the Board as the Whole-Time Director w.e.f. 14th August, 2017 and presently designated as Director (Finance) of the Company.

Prior to joining Sunflag, he was associated with various organisations viz. Cement Corporation of India Limited, Priyadarshani Cements Limited, Hindustan Fluorocarbons Limited and Bharat Aluminum Company Limited and has a rich and varied experience of about 42 years in all the fields of Finance.

He holds Directorship in Surjagarh Metals and Minerals Limited, Khappa Coal Company Private Limited, Ramesh Sunwire Private Limited and Sunflag Power Limited. He is Member of Risk Management Committee, Project Monitoring Committee and Sub-Committee of the Board. He does not hold any share in the capital of the Company.

Mr. Ramchandra Vasant Dalvi (DIN - 00012065) - Director (Technical)

Mr. Ramchandra Vasant Dalvi, age 72 years, graduated as B. Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Mumbai. Thereafter, he joined various Steel Industries viz Mukand Limited (Year 1972-2001), Facor Steels Limited (Year 2001-2004) and Vidarbha Iron and Steel Corporation Limited (Year 2004-2011) and gained rich and varied experience in steel and steel making. He has held various positions from Graduate Engineer Trainee to Chief Executive. He was a Director (Technical) on

the Board of Directors of Facor Steels Limited during the year 2004-2011. He joined Sunflag in the year 2015 as the Executive Director (Works), one level below the Board of Directors of the Company and was in-charge of Company's Steel Plant at Warthi, Bhandara. Later on, he was elevated and inducted in the Board as the Whole-Time Director, designated as the Executive Director (Works) of the Company w.e.f. 14th August, 2017 and presently, designated as Director (Technical) of the Company. Presently, he is also Director of Sunflag Foundation (Section 8 Company); Sanika Hospitality (India) Private Limited, Pune and Partner in Saidham Schemes, Pune. He is a member of Corporate Social Responsibility (CSR) Committee of the Company. He does not hold any equity share in the capital of the Company.

Mr. Kumar Jitendra Singh (DIN - 00626836) - Non-executive, Independent Director

Mr. Kumar Jitendra Singh, age 70 years, is B. Sc. Engineering (Mechanical) from Bihar College of Engineering and Bachelor of Law from Ranchi University. He was awarded fellowship in research from CSIR in the year 1976. His last position held was Chairman cum Managing Director (CMD) of MOIL Limited from 16th March, 2009 to 31st October, 2012 before retiring. He has more than 34 years of experience in varied industries such as maintenance of steel plant, project management and equipment procurement for steel plant, refractory industry, refractory application and management in steel plants, metal and mining industry etc.

Presently he is Director of Sunflag Foundation (Section 8 Company). He is Member of the Audit Committee, Nomination and Remuneration Committee, Project Monitoring Committee, Corporate Social Responsibility (CSR) Committee and Sub-Committee of the Board of the Company. He does not hold any equity share in the capital of the Company.

CA Neelam Kothari (DIN - 06709241) - Non-executive, Independent Director

CA Neelam Kothari, age 51 years, is a qualified Chartered Accountant and Cost Accountant, a rank holder in both the professional course examinations. She worked with IDBI Bank Limited from the year 1993 to 2009 in various capacities. During her career spanning across 15 years, she rose from a management trainee to one of the youngest Deputy General Manager in the IDBI Bank Limited.

She is designated partner of Third Wind Advisers LLP. She is Member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board. She does not hold any equity share in the capital of the Company.

Mr. Sajiv Dhawan (DIN - 00160085) - Non-executive, Independent Director

Mr. Sajiv Dhawan, age 51 years, is a graduate in Classics – Latin from the Leeds University, UK. He has been involved in the Indian Equity Markets for the last 21 years and has successfully managed a well-known and highly regarded Broking House and Managing Investor's Portfolios. He has been a regular Securities Market Analyst and Expert appearing on CNBC (India and Singapore), Bloomberg TV, NDTV/ET NOW channels as well as on BBC World. He is Member of India's largest Angel Investment Network.

He holds Directorship in JV Capital Securities Limited and Redbell.com Online Store Private Limited, which is under process of Striking off. He is member of Audit Committee of the Board of the Company. Further, he does not hold any equity share in the Capital of the Company.

Mr. Anand Sadashiv Kapre (DIN – 00019530) – Non-executive, Independent Director

Mr. Anand Sadashiv Kapre, an Indian National, age 73 years, is a graduate from IIT Madras as B. Tech. (Electrical). Initially, he started working with ACC and Indian Oxygen Limited and worked for 3 years each in their plants. Thereafter, he joined ICICI Limited and worked for 25 years in project / working capital finance, follow up and risk management roles. Subsequently, he worked as an independent financial consultant since 2014 and joined IL&FS Private Equity as head of Risk Management & Environment, Health & Safety issues in Investee Companies. During the course of his career, he has been on the Boards' of over 20 companies including his current directorships. He is also L.L.B from Mumbai University. He has specific expertise in the fields of Finance, Banking, Law, Economics and Trade.

Presently, he is Director of Facor Alloys Limited and Facor Steels Limited (Listed Companies). He is not member of any Committee of the Board of the Company. Further, he holds 10213 (0.0057%) equity shares in the Capital of the Company.

CA Vinita Bahri (DIN – 03109454) – Non-executive, Independent Director

CA Vinita Bahri, age 52 years, is a qualified Chartered Accountant and further pursued her Master of Business Administration (MBA) in Marketing. She is into the profession of Financial Consultancy and is the founder of Samarth Wealth Management. She has been one of the pioneers in the financial advisory services for more than twenty years. She is a regular speaker on various forums and institutions such as National Academy of Direct Tax (NADT), Nagpur Institute of Technology (NIT), Ramdeobaba Kamla Nehru Engineering College (RKNEC), Rotary Club etc. and has been featured in Times of India Investment columns. She is also on the advisory panel of CNBC-18, specially to advise women investors on retirement planning. Presently, she is not a member of any Committee of the Board of the Company. Further, she does not hold any equity share in the Capital of the Company.

3) AUDIT COMMITTEE

a) Constitution:-

The Board has constituted a well-qualified Audit Committee with Dr. E. R. C. Shekar as the Chairman of the Committee. All the members including Chairman of the Committee are Non-executive, Independent Director/s of the Company. They possess requisite knowledge of accounts, audit, finance, taxation, internal controls, etc.

b) Terms of Reference, Role and Responsibility:-

I. Pursuant to Regulation 18(3) read with Part C of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the terms of reference, role and responsibility of the Audit Committee shall include, amongst others, the following:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other permissible services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to :-
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;

- f) disclosure of any related party transactions;
- g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up thereon;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the Whistle Blower Mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rational, cost-benefits and impact on schemes involving merger, demerger, amalgamation etc. on the listed entity and its shareholders.

II. The Audit Committee shall mandatorily review the following information:-

1. management discussion and analysis of financial condition and results of operations;
2. management letters / letters of internal control weaknesses issued by the statutory auditors;
3. internal audit reports relating to internal control weaknesses; and
4. the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
5. statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

In addition to above:-

- The Audit Committee shall have discussions with the Statutory Auditors on the audit of the quarterly, half-yearly and yearly financial statement/s, the yearly audit plan, matters relating to compliance of Accounting Standards and Policies, their observations arising from the audit of the Company's financial statements and other related matters.
- The Audit Committee during its meetings shall review with the management and auditors (both external and internal) on all issues which are required to be reviewed by the Audit Committee pursuant to the Companies Act, 2013 and Listing Regulations. The Audit Committee shall also review the observations of the Internal and Statutory Auditors in relation to all areas of operations of the Company as also the Internal Control Systems. The Audit Committee shall also review the actions taken by the Company on various observations and queries of the Auditors.

c) Composition:-

- Chairman** : Dr. E.R.C. Shekar - Non-executive, Independent Director
- Members** : Mr. Kumar Jitendra Singh, CA Neelam Kothari and Mr. Sajiv Dhawan,
Non-executive, Independent Director/s of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary

Invitees / Participants:-

- i) Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- ii) Mr. Surendra Kumar Gupta, Deputy Managing Director
- iii) CA R. Muralidhar, Director (Finance)
- iv) Mr. Anand S. Kapre, Non-executive, Independent Director
- v) CA Vinita Bahri, Non-executive, Independent Director
- vi) Mr. S. Mahadevan Iyer, Chief Financial Officer
- vii) Statutory Auditors
- viii) Secretarial Auditors
- ix) Internal Auditors
- x) Cost Auditors

d) Meetings and Attendance:-

During the Financial Year 2021-22, Four (4) meetings of the Audit Committee were held on 29th May, 2021, 30th July, 2021, 12th November, 2021 and 10th February, 2022.

Attendance:-

Name of Director	Dr. E.R.C. Shekar	Mr. Kumar Jitendra Singh	CA Neelam Kothari	Mr. Sajiv Dhawan
No. of Meetings Attended/Held	4/4	4/4	4/4	1/4

4) NOMINATION AND REMUNERATION COMMITTEE:-**a) Composition:-**

Nomination and Remuneration Committee consists of the following Directors viz.

- Chairman** : Dr. E.R.C. Shekar, Non-executive, Independent Director
Members : CA Neelam Kothari and Mr. Kumar Jitendra Singh, Non-executive, Independent Directors and Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
Secretary : CS Ashutosh Mishra, Company Secretary

b) Terms of Reference of the Nomination and Remuneration Committee:-

Pursuant to Regulation 19(4) read with Part D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the Committee is empowered to:-

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- 1A) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates.
- 2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 3) while formulating the policy under (II) above, ensure that:-
 - i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - iii) remuneration to Directors, Key Managerial Personnel and Senior Management, involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals or objectives.
- 4) devising a policy on diversity of Board of Directors;
- 5) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- 6) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- 7) recommend to the Board, all remuneration, in whatever form, payable to Senior Management; and
- 8) such other functions and activities as may be assigned and delegated from time to time either by the Board of Directors of the Company or pursuant to the provisions of the Companies Act, 2013 read with the rules made there under and Listing Regulations, as amended.

c) Meeting and Attendance:-

During the Financial Year 2021-22, Three (3) meetings of the Nomination and Remuneration Committee were held on 29th May, 2021, 30th July, 2021 and 10th February, 2022.

Attendance:-

Name of Director	Dr. E.R.C. Shekar	Mr. Kumar Jitendra Singh	CA Neelam Kothari	Mr. Ravi Bhushan Bhardwaj
No. of Meetings Attended/Held	3/3	3/3	3/3	3/3

- d) The Committee looks after appointment and re-appointment, review and finalization of the annual increments (remuneration) payable to the Executive Director/s and Key Managerial Personnel (KMP) of the Company within the prescribed limits of the Companies Act, 2013 read with the rules made there under and the Listing Regulations.**

i) For Executive Director/s:-

The total remuneration of Executive Directors consists of:-

- ✦ a fixed component - consisting of salary, perquisites and benefits; the perquisites and benefits are in line with the applicable and prevalent rules of the Company.
- ✦ Commission @2% on net profits of the Company, calculated in accordance with Section 198 of the Companies Act, 2013, paid only to the Managing Director of the Company.
- ✦ No commission was paid to the Deputy Managing Director and other Executive Directors of the Company.
- ✦ No sitting fees was paid to any of the Executive Director/s for attending Board and its Committee Meeting/s.

Further, as a matter of policy, the Company adheres to and follows the relevant provisions of the Companies Act, 2013 read with relevant Schedule and Rules made there under and the Listing Regulations, for payment of remuneration to the Executive Directors and Key Managerial Personnel of the Company.

ii) For Non-executive Director/s:-

- ▲ The Sitting Fees @ ₹ 15,000/- and @ ₹ 7,000/- per meeting of the Board and its Committee respectively, have been paid to the Non-executive, Independent Director/s together with reimbursement of actual travel and out-of-pocket expenses incurred for attending such meetings.
- ▲ No sitting fees was paid to Non-executive Promoter Director/s for attending Board and its Committee Meeting/s.

iii) Commission to Non-executive Director/s:-

The Shareholders of the Company, at its 32nd Annual General Meeting, held on 25th September, 2018, by way of Ordinary Resolution, have considered and approved, that the payment of remuneration by way of commission, not exceeding a sum equivalent to one per cent (1%) of net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be made to, and be distributed amongst all the Non-executive Director/s of the Company, in the manner as may be determined by the Board of Directors of the Company, from time to time, in compliance of the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and the Listing Regulations (as amended) subject to the condition that, no single Non-executive Director of the Company, be paid, a sum exceeding fifty percent (50%) of the total annual remuneration payable to all Non-executive Directors of the Company, for a period of five (5) Financial Years, w.e.f. Financial Year 2018-19 till the Financial Year 2022-23.

Subsequent to this, the Board of Directors of the Company vide its meeting held on 10th February, 2022 finalized that the remuneration by way of commission be distributed amongst the following Non-executive Directors of the Company, within the limit not exceeding a sum equivalent to one percent (1%) of the net profits [as calculated pursuant to the provisions of Section 198 of the Companies Act, 2013] of the Company per annum, subject to the condition that no single Non-executive Director of the Company be paid by way of remuneration, a sum exceeding fifty percent (50%) of the total annual remuneration payable to all Non-executive Directors of the Company, for Financial Year 2021-22, in the manner as below:

- i All the Non-executive Directors of the Company except Mr. Suhrit Ravi Bhushan Bharadwaj and Mr. Ravi Bhushan Bhardwaj be paid Rs. 2,60,000/- each on pro-rata basis;
- ii. Mr. Ravi Bhushan Bhardwaj : 49% of the 1% of the Net Profits of the Company for the Financial Year 2021-22.
(Non-executive Chairman)

Accordingly, the sum which is payable as remuneration by way of commission to the Non-executive Director/s including, Non-executive Chairman of the Company for the Financial Year 2021-22 is as follows:

Dr. E.R.C. Shekar	: ₹ 2,60,000
Mr. Kumar Jitendra Singh	: ₹ 2,60,000
CA Neelam Kothari	: ₹ 2,60,000
Mr. Sajiv Dhawan	: ₹ 2,60,000
Mr. Anand S. Kapre	: ₹ 2,60,000
CA Vinita Bahri	: ₹ 2,60,000

and the sum of ₹ 1,44,93,684/- to Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.

e) The details of Remuneration and Sitting fees, for the Financial Year 2021-22 and Commission for the Financial Year 2020-21 paid to all the Directors during the Financial Year 2021-22 is as under:

Name	Designation	Sitting Fees (₹)	Remuneration perquisites and Benefits (₹)	Commission for the FY 2020-21 (₹)	Total Amount (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	-	-	84,18,903	84,18,903
Mr. Pranav Bhardwaj	Managing Director	-	2,16,13,162	3,42,28,091	5,58,41,253
Dr. E.R.C. Shekar	Non-executive, Independent Director	2,24,000	-	2,40,000	4,64,000
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	2,10,000	-	2,40,000	4,50,000
CA Neelam Kothari	Non-executive, Independent Director	1,39,000	-	2,40,000	3,79,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	1,12,000	-	2,40,000	3,52,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	1,05,000	-	2,40,000	3,45,000
CA Vinita Bahri	Non-executive, Independent Director	1,05,000	-	2,40,000	3,45,000
Mr. Suhrit Bhardwaj	Non-executive, Director	-	-	-	-
Mr. Surendra Kumar Gupta	Deputy Managing Director	-	1,41,01,290	-	1,41,01,290
CA Rambhatla Muralidhar	Director (Finance)	-	1,11,52,745	-	1,11,52,745
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-	1,04,11,368	-	1,04,11,368
	TOTAL	8,95,000	5,72,78,565	4,40,86,994	10,22,60,559

Note : There is no Stock Option scheme in the Company

f) The details of proposed Commission payable to all the Director/s of the Company in respect of Financial Year 2021-22 are as under:

Name	Designation	Proposed Commission for the Financial Year 2021-22 (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	1,44,93,684
Mr. Pranav Bhardwaj	Managing Director	5,23,34,207
Dr. E. R. C. Shekar	Non-executive, Independent Director	2,60,000
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	2,60,000
CA Neelam Kothari	Non-executive, Independent Director	2,60,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	2,60,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	2,60,000
CA Vinita Bahri	Non-executive, Independent Director	2,60,000
Mr. Suhrit Bhardwaj	Non-Executive, Director	-
Mr. Surendra Kumar Gupta	Deputy Managing Director	-
CA Rambhatla Muralidhar	Director (Finance)	-
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-

5) STAKEHOLDERS' RELATIONSHIP COMMITTEE :-

Objective:-

The Stakeholders' Relationship Committee is responsible for the satisfactory redressal of investors' and shareholders' complaints and recommends measures for overall improvement in the quality of investor services.

Pursuant to Regulation 20(4) read with Part D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the terms of reference, roles and responsibilities, of the Stakeholders Relationship Committee shall be as follows:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Such other functions as per Regulation 20(4) read with Part - D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

Composition:-

The Stakeholders' Relationship Committee consists of Dr. E. R. C. Shekar, Non-executive, Independent Director as its Chairman and Mr. Ravi Bhushan Bhardwaj, Mr. Pranav Bhardwaj, Mr. Surendra Kumar Gupta and CA Neelam Kothari, as the Committee Members while CS Ashutosh Mishra, Company Secretary & Compliance Officer is Secretary to the Committee.

Meetings:-

During the Financial Year 2021-22, the Committee had Four (4) meetings on 29th May, 2021, 30th July, 2021, 12th November, 2021 and 10th February, 2022 and it reviewed:

- the system of handling with and responding to complaints received from the Shareholders and Investors.
- the complaints received from Shareholders, Investors, Stock Exchanges, SEBI, Depositories viz. NSDL & CDSL and responses thereto :

At the beginning of the year	Received during the year	Resolved during the year	At the end of the year
NIL	17	17	NIL

6) SHARE TRANSFER COMMITTEE:-

The Share Transfer Committee consists of Four (4) Members, viz. Two (2) Non-executive Directors and Two (2) Executive Directors, as per details given below:

Composition:-

- Chairman** : Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- Members** : Mr. Pranav Bhardwaj and Mr. Surendra Kumar Gupta, Executive Directors and Dr. E. R. C. Shekar, Non-executive, Independent Director of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary.

Meetings :-

During the Financial Year 2021-22, the Committee had Four (4) meetings on 29th May, 2021, 30th July, 2021, 12th November, 2021 and 10th February, 2022.

Regulation 40 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) [Listing Regulations] provides that the Listed Entity shall register transfer of its securities or issue valid objection or intimation to the transferee or transferor,

as the case may be, within a period of fifteen (15) days from the date of receipt of request for transfer and shall ensure that transmission requests are processed for securities held in dematerialized form or physical form within seven (7) days and twenty one (21) days respectively, after receipt. Besides this proviso to Regulation 40(2) of the Listing Regulations specifies that the Board of Directors and/or the delegated authority of the Listed Entity shall attend to the formalities pertaining to the transfer of securities at least once in a fortnight.

In view of above, the Board considered and granted the authorization (sub-delegation) to CS Ashutosh Mishra, Company Secretary of the Company and in the absence of Company Secretary, CA R. Muralidhar, Director (Finance) of the Company to approve all the transfer, transmission, transposition, deletion of name, re-materialization of shares, issue of duplicate shares, consolidation, splitting of shares and ratify dematerialization of shares on weekly basis to comply with the directions issued by the SEBI. The Board has authorized Share Transfer Committee to ratify all the approvals for all routine transfers, transmission, re-materialization of shares and ratifications for dematerialization of shares carried out by the Company Secretary and in his absence, by the Director (Finance) of the Company on the quarterly basis.

Other Information:-

a) The Company has already created a designated e-mail id for the Investor Grievances or Complaints as investor@sunflagsteel.com. The required information had already been sent to the concerned Stock Exchanges and also displayed at the Company's website www.sunflagsteel.com.

b) The Securities and Exchange Board of India (SEBI) vide its Circular reference CIR/MRD/DP/10/2013 dated 21st March, 2013 has directed the listed companies for the usage of electronic modes for making cash payments to the investors and further asked to maintain the proper Bank Mandate or ECS Records of the investors.

In view of this, those shareholders who have not yet furnished or updated their Bank or ECS particulars, may kindly register the same with the Company or RTA, if shares are held in physical mode and with their Depository Participant (DP), if the shares are held in demat mode.

c) In terms of the provisions of Section 124(5) of the Companies Act, 2013 (the Act), dividend amount remaining unpaid or unclaimed for a period of seven (7) consecutive years, from the date they became due for payment, is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Further, the Ministry of Corporate Affairs has notified "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" (**the Rules**) which have come into force from 7th September, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been claimed for seven (7) consecutive years or more, in the name of '**IEPF Demat Account**'. Accordingly, during the Financial Year 2017-18, the Company has transferred total 30,91,699 equity shares constituting about 1.716% of the total issued, subscribed and paid-up share capital, including 28,050 equity shares of "**Unclaimed Suspense Account**", which was created pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015 effective 3rd August, 2015. Further to this, 77,616 equity shares have been transferred to the IEPF Demat Account related to those shareholders whose unclaimed dividend has been transferred to the IEPF Authority during the Financial Year 2018-19. The voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares from the IEPF Authority. The IEPF Authority has laid down the detailed procedure for claiming both Dividend as well as Shares. The detailed list of shares transferred to this IEPF Authority account as well as detailed procedure to claim is available on the Company's website www.sunflagsteel.com. Further, the procedure to claim is also available on the website of IEPF authority at www.iepf.gov.in. During the Financial Year 2021-22 under review, many rightful shareholders have claimed shares from this account by complying with the prescribed formalities.

d) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD RTAMB/P/CIR/2021/655 dated November 3, 2021, mandated Registering of details like PAN, email address, mobile number, bank account details, signature and nomination by holders of physical securities; and folios wherein any one of the above cited document / details are not available on or after April 01, 2023, shall be frozen by the Registrars and Transfer Agents of the Company (RTA) and the concerned shareholder will not be eligible to lodge grievance or avail service request from the RTA and not eligible for receipt of dividend in physical mode.

Forms ISR-1, ISR-2, ISR3, Form SH-13 and SH-14 required for furnishing of PAN, KYC details and Nomination by holders of physical securities are available on the Company's website www.sunflagsteel.com, and also with the RTA's website <http://www.bigshareonline.com>.

e) As a part of Green Initiative in Corporate Governance, your Company proposes to send Annual Report, Notice of General Meeting/s, Statement annexed to Notice, Financial Statement/s, Board's Report, Auditors' Report, Postal Ballot Notice, Postal Ballot Form and other communications, documents, notices, etc. (referred to as communications or documents), as may be required under the Companies Act, 2013 and as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to its Members in the electronic form.

In view of above, the shareholders are requested to notify and/or update, if there is any change in their registered email address, with the DP or the Company, as the case may be, from time to time. **We strongly believe that with your support we can make this step of the Government meaningful in creating a healthier and greener environment.**

7) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):-

The Company is an eligible Company qualifying under Section 135(1) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) for undertaking the Corporate Social Responsibility (CSR) activities as per the Company's CSR Policy during the Financial Year 2021-22.

Accordingly, the Company has constituted a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended). The Committee is headed by Mr. Ravi Bhushan Bhardwaj and consists of Dr. E. R. C. Shekar, Mr. Surendra Kumar Gupta, Mr. Pranav Bhardwaj, Mr. Ramchandra Vasant Dalvi and Mr. Kumar Jitendra Singh as its Members.

During the Financial Year 2021-22, the CSR Committee had Five (5) meetings held on 29th May, 2021, 30th July, 2021, 12th November, 2021, 10th February, 2022 and 30th March, 2022, which were attended by the members as under:

S. N.	Name of Director	Position and Category of Director	No. of meetings Attended / Held
1	Mr. Ravi Bhushan Bhardwaj	Chairman, Non Executive Director	4 / 5
2	Dr. E. R. C. Shekar	Member, Non Executive, Independent Director	5 / 5
3	Mr. Surendra Kumar Gupta	Member, Deputy Managing Director	5 / 5
4	Mr. Kumar Jitendra Singh	Member, Non Executive, Independent Director	5 / 5
5	Mr. Pranav Bhardwaj	Member, Managing Director	1 / 5
6	Mr. Ramchandra Vasant Dalvi	Member, Director (Technical)	4 / 5

Secretary : CSAshutosh Mishra, Company Secretary.

The terms of reference of the CSR Committee are as follows:-

- formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company either directly or through its implementing agency as specified in Schedule VII to the Companies Act, 2013 as amended from time to time;
- recommend the amount of expenditure to be incurred on the activities by the Company, either directly or through its implementing agency referred to in clause (i);
- monitor the Corporate Social Responsibility (CSR) Policy of the Company from time to time; and
- such other functions or activities as may be assigned or delegated from time to time by the Board of Directors of the Company and/or pursuant to the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Disclosures:-

S. N.	Headings	Particulars
1	Average net profits of the Company for last three (3) Financial Years	₹ 1,46,65,98,632/-
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ 2,93,31,973/-
3	Details of CSR expenditure during the FY 2021-22:- a) Total amount to be spent for the FY 2021-22 b) Amount unspent, if any;	₹ 2,93,31,973/- Out of the total sum of ₹ 2,93,31,973/-, the Company has incurred, a sum of ₹ 1,96,43,757/- on the CSR activities and the sum of ₹ 1,00,00,000/- have been allocated for capital expenditure on "Phase II of Project P-1 (construction of the Auditorium) tenure 3 years.
	c) Manner in which the amount spent during the FY 2021-22	The manner in which the amount spent & allocated is detailed in the Annexure II to Board's Report.

Further, during the period under review amount of ₹ 45,00,000/- allocated for providing equipment under COVID-19 Pandemic Relief [Project (P-2)] in Financial Year 2020-21 has been spent for the said project.

Further, the CSR Committee of the Company has already constituted its sub-committee comprising of the executives of the Company in order to look after the day-to-day CSR activities, recommendations for payments, certifying the completion of CSR activities, etc., which will, in turn report to the CSR Committee on quarterly or as and when required basis. The sub-committee meets at regular intervals to ascertain the accomplishment of work and consequent release of payment.

Further, the Sunflag Iron and Steel Company Limited (SISCO) has formed and incorporated on 27th January, 2017, **Sunflag Foundation** (U74999MH2017NPL289961) – a Section 8 Company and wholly owned subsidiary of SISCO having CSR registration number CSR00016672, as implementing agency of SISCO regarding its CSR activities. Sunflag Foundation implements and monitors all CSR activities, keep budget and accounts for the same and monitors the manner in which the CSR amount is to be spent as per the CSR budget and activities approved by the Board of SISCO etc. and in turn furnishes its report to SISCO. During the Financial Year 2021-22, the entire mandated amount of ₹ 2,93,31,973/- to be spent by the Company during the Financial Year 2021-22 on the approved CSR activities has been transferred to Sunflag Foundation for implementation of CSR activities.

As required, the details pertaining to the Corporate Social Responsibility (CSR) activities together with details of expenditure done during Financial Year 2021-22 are enclosed as an **Annexure II** to the Boards' Report.

8) RISK MANAGEMENT COMMITTEE (RMC):-

The Risk Management Committee (RMC) is required to lay down the procedures for risk assessment, risk minimization procedures and in turn, the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company.

The Business Risk Evaluation and Management (BREM) is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

Pursuant to Regulation 21(4) read with Part D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the terms of reference, roles and responsibilities, of the Risk Management Committee shall inter-alia include the following:

- (1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (7) Oversight of risk management performed by the executive management; Reviewing the BREM policy and framework in line with local and legal requirements and SEBI guidelines;
- (8) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle; and
- (9) Such other functions as per Regulation 21(4) read with Part- D of Schedule - II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.

The details of the Committee Membership together with the attendance at Two (2) meetings held on 12th November, 2021 and 29th March, 2022 are as below:

• **Members and Attendance:-**

S. N.	Name of Director	Position and Category of Director	No. of meetings Attended/Held
1	Dr. E.R.C. Shekar	Chairman, Non Executive, Independent Director	2/2
2	Mr. Surendra Kumar Gupta	Member, Deputy Managing Director	2/2
3	CA R. Muralidhar	Member, Director (Finance)	2/2

9) PROJECT MONITORING COMMITTEE (PMC):-

In view of implementation of new capital projects, it is mandatory to constitute the Project Monitoring Committee to look after the process and progress of these new capital projects. Accordingly, the Board of Directors of the Company at its meeting held on 8th February, 2016 has constituted the Project Monitoring Committee (PMC), the details of which are as under:-

Chairman : Dr. E.R.C. Shekar, Non-executive, Independent Director

Members : Mr. Kumar Jitendra Singh, Non-executive, Independent Director, Mr. Surendra Kumar Gupta, Deputy Managing Director and CA R. Muralidhar, Director (Finance).

Secretary : CS Ashutosh Mishra, Company Secretary

Invitee / participant : Mr. S. Mahadevan, CFO

Meetings and Attendance:-

During the Financial Year 2021-22, Three (3) meetings of the Project Monitoring Committee (PMC) were held on 30th July, 2021, 13th September, 2021 and 29th March, 2022:

S. N.	Name of Director	Category of Director	No. of meetings Attended/Held
1	Dr. E.R.C. Shekar	Non Executive, Independent Director	3/3
2	Mr. Kumar Jitendra Singh	Non Executive, Independent Director	3/3
3	Mr. Surendra Kumar Gupta	Deputy Managing Director	3/3
4	CA R. Muralidhar	Director (Finance)	3/3

10) VIGIL MECHANISM / WHISTLE BLOWER POLICY:-

With the rapid expansion of business in terms of volume, value and geography, various risks associated with the business have also increased considerably. One such risk identified is the risk of fraud or misconduct. The Audit Committee is committed to ensure fraud-free work environment and in this direction, the Audit Committee has formulated the Whistle Blower Policy providing a platform to all the employees, vendors and customers to report any suspected or confirmed incident of fraud or misconduct through any of the reporting protocols.

In order to instill more confidence amongst Whistle Blowers, the management of the reporting protocols were managed by an independent agency. Adequate safeguards have been provided in the Whistle Blower Policy to prevent victimisation of anyone who is using this platform. Direct access to the Chairman of the Audit Committee is also available in exceptional cases and no personnel has been denied access to the Audit Committee.

This Whistle Blower Policy is applicable to all the directors, employees, vendors and customers of the Company and it is also posted on the website of the Company.

The main objectives of the policy are as under:

- i) To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct;
- ii) To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence;
- iii) To provide healthy and fraud-free work culture;
- iv) To recommend to the management for taking appropriate actions such as disciplinary action, termination of service, changes in policies & procedure and review of internal control systems; and
- v) To review the policy from time to time.

11) GENERAL BODY MEETINGS:-

a) Details of previous three (3) Annual General Meetings (AGM) of the Company :

S. N.	Number and Year	Venue / Mode	Day, Date and Time
1	35 th AGM-2021	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Monday, the 13 th September, 2021 at 12:00 P.M.
2	34 th AGM - 2020	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Monday, the 21 st September, 2020 at 3:00 P.M.
3	33 rd AGM-2019	Indian Medical Association's Dr. Dinkar Hardas CME Hall, Dr. Hardas IMA Annex, N. A. Road, Nagpur - 440010, MH, IN.	Friday, the 27 th September, 2019 at 3:00 P.M.

b) Some special resolutions were passed at the above meetings. There has been no use of Postal Ballot so far.

c) The Company has provided e-voting platform to the members during all the previous three (3) Annual General Meeting/s.

12) DISCLOSURES

a) **Related Party Disclosures:-**

Related Party	Relationship
Sunflag Power Limited Sunflag Foundation (Section 8 Company)*	Subsidiary Companies
Khappa Coal Company Private Limited	Subsidiary and Joint Venture Company
Haryana Television Limited	Associate Enterprise
Sunflag Limited, Channel Islands, UK	Enterprise which have significant influence (Promoter and Promoter Group)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman (Promoter and Promoter Group) [Relative to Key Managerial Personnel (KMP)]
Mr. Pranav Bhardwaj	Managing Director, Designated Key Managerial Personnel (KMP) [Promoter and Promoter Group]
Mr. Surendra Kumar Gupta CA Rambhatla Muralidhar Mr. Ramchandra Vasant Dalvi CS Ashutosh Mishra Mr. S. Mahadevan	Key Managerial Personnel (KMP)
Dr. E. R. C. Shekar Mr. Kumar Jitendra Singh Mr. Sajiv Dhawan Mr. Anand S. Kapre CA Neelam Kothari CA Vinita Bahri	Non-executive, independent Directors
Mr. Suhrit Ravi Bhushan Bhardwaj	Non-executive, Non-independent Director (Promoter and Promoter Group) [Relative to Key Managerial Personnel (KMP)]
Madanpur (North) Coal Company Private Limited C T Mining Private Limited Daido D.M.S. India Private Limited Ramesh Sunwire Private Limited	Joint Venture Companies (Associate)

*Sunflag Foundation (CIN-U74999MH2017NPL289961) – a Section 8 Company and Wholly-owned Subsidiary of Sunflag Iron and Steel Company Limited (**SISCO**), through holding 100% of Issued, Subscribed and Paid-up Share Capital, was incorporated on 27th January, 2017 for implementing the Corporate Social Responsibility (CSR) activities of **SISCO**. Sunflag Foundation is to implement and monitor all CSR activities and to keep budget and accounts for the same, to monitor the manner in which the CSR amount is to be spent etc. and in turn, will furnish its report to **SISCO**.

b) Transactions with the related parties:-

Sr. No.	Particulars	Amount (₹)
a)	Subsidiary Companies	
	- Unsecured Loans or Advances	2,23,238
	- CSR Expenses	2,93,31,973
b)	Associate Enterprise	- Rent paid
		66,49,300
c)	Key Managerial Personnel, Promoter and Promoter Group	- Remuneration and Commission (including Commission to Non- Executive Chairman)
		10,98,77,067
d)	Independent Directors	- Sitting Fees and Commission to Non-executive, Independent Directors
		23,35,000
e)	Joint Venture - Ramesh Sunwire Private Limited	- i. Sale of Goods (Wire Rods)
		25,29,80,247
		- ii. Purchase of Wire Rods Scrap
		23,82,692

The Board has approved a policy for dealing with related party transactions which has been uploaded on the Company's website www.sunflagsteel.com.

c) Disclosure/s under Section 22 and 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:-

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed-off during the Financial Year 2021-22 :

Number of Complaints received	NIL	Number of Complaints disposed off	N.A.
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d) Compliance with Regulators:-

The Company has complied with all the requirements of regulatory authorities on capital markets. Except as provided below, there has been no instance of non-compliance by the Company on any matters related to the capital markets, nor have any penalty or strictures been imposed on the Company by the SEBI, Stock Exchanges or any other statutory authorities on such matters, for the last 3 (three) Financial Years.

Sr. No.	Details of non-compliance	Fine levied	Name of stock Exchange
1.	Regulation 29(2) / 29(3) SEBI (LODR) Regulations, 2015 Delay in furnishing prior intimation for on Agenda Item regarding fund raising considered at the meeting of the Board of Directors of the Company held on 10 th February, 2022.	₹ 10,000/-* (Excluding GST ₹ 1800/-)	BSE Limited (BSE)
2.	Regulation 29(2) / 29(3) SEBI (LODR) Regulations, 2015 Delay in furnishing prior intimation for on Agenda Item regarding fund raising considered at the meeting of the Board of Directors of the Company held on 10 th February, 2022.	₹ 10,000/-* (Excluding GST ₹ 1800/-)	National Stock Exchange of India Limited (NSE)

* However, the Company, through its reply communication to BSE and NSE vide Ref. No. SECY/SE/SOP/2022/58-59 dated 19th March, 2022, has submitted the requisite information and clarification together with its request applications for waiver of fine/ penalty and the said applications are under consideration before the concerned authorities of the said stock exchanges.

e) Other Disclosures:-

- Transactions with related parties, as per requirements of INDAS 24, are disclosed in notes annexed to the financial statements.
- There are no material significant transactions with the related parties viz. Promoters, Directors, KMP, their relatives, Subsidiary or Associate Companies that had potential conflict with the Company's interest. Suitable disclosures as required by the INDAS 24 has been made in the Annual Report of the Company.
- The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) while preparing Financial Statements.
- There are no pecuniary relationships or transactions of Independent Director/s vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- During the Financial Year 2021-22, the Company does not have any material listed and unlisted Subsidiary Company(ies) as defined in Regulation 16(1)(c) of the Listing Regulations (as amended). Pursuant to Regulation 24 of the Listing Regulations, at least one Independent Director is to be on the Board of Directors of all Material Unlisted Subsidiary Company. At least one of the Independent Directors of the Sunflag Iron and Steel Company Limited is on the Board of all its Unlisted Subsidiary Company.

The Audit Committee had reviewed the annual audited financial statements and Minutes of the Meetings of Board of Directors and Shareholders of all the Unlisted Subsidiary Companies from time to time and that the same were placed at the Meeting (s) of Board of Directors of the Company. The Board has approved a policy for determining 'material' subsidiaries which has been uploaded on the Company's website www.sunflagsteel.com.

- vi. The Independent Directors of the Company have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 read with the rules made thereunder and Regulation/s 16(1)(b) and 25 of the Listing Regulations, 2015 (as amended), as the case may be.

13) MEANS OF COMMUNICATION:-

- a) The quarterly and annual financial results are being furnished to Stock Exchanges and normally published in Indian Express in English and Loksatta in Marathi. The quarterly and annual financial results are also displayed on the Company's Notice Board as well as uploaded on the Company's website www.sunflagsteel.com.
- b) Management Discussion and Analysis forms part of this Annual Report.

14) GENERAL SHAREHOLDER INFORMATION:-

- a) Thirty-sixth (36th) Annual General Meeting
- b) Book Closure Dates
- c) Cut-off date for e-Voting
- d) Record Date for Dividend Payment
- e) **Financial Year - 01st April, 2022 to 31st March, 2023 (Calender)**

- i) Unaudited Financial Results for the First Quarter (Q-1) ending 30th June, 2022
- ii) Unaudited Financial Results for the Second Quarter (Q-2) and Half Year (H-1) ending 30th September, 2022
- iii) Unaudited Financial Results for the Third Quarter (Q-3) ending 31st December, 2022
- iv) Audited Financial Results for the Fourth Quarter (Q-4) and Financial Year ending 31st March, 2023

f) Listing of Equity Shares

For the Financial Year 2021-22, the Equity Shares of the Company were listed with (1) BSE Limited and (2) National Stock Exchange of India Limited.

Listing fees for the Financial Year 2022-23 has already been paid to both these Stock Exchanges.

- } Members are requested to refer the Notice convening Thirty-sixth (36th) Annual General Meeting of the Company for details.
- Not applicable since no dividend proposed

Tentative Schedule

- On or before 14th August, 2022 or such extended permissible timeline
- On or before 14th November, 2022 or such extended permissible timeline
- On or before 14th February, 2023 or such extended permissible timeline
- On or before 30th May, 2023 or such extended permissible timeline

g) Equity Shares - Stock Codes

Trading Symbol at Stock Exchanges

Demat ISI Number in NSDL & CDSL

- **BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400001, MH, IN.
- **National Stock Exchange of India Limited (NSE)**
"Exchange Plaza", Bandra-Kurla Complex
Bandra (East), Mumbai - 400051, MH, IN.

- 500404 (BSE) and SUNFLAG (NSE)
- INE947A01014 - Sunflag Iron - Equity

h) Stock Market Data

The high and low prices recorded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with their respective Indices are as under:-

Month	Share Price of Sunflag Steel				S&P BSE SENSEX		S & P CNX NIFTY	
	BSE		NSE		High	Low	High	Low
	High (₹)	Low (₹)	High (₹)	Low (₹)				
April 2021	84.30	61.55	84.40	62.00	50376	47205	15044	14151
May 2021	92.75	76.40	92.70	76.40	52013	48028	15606	14416
June 2021	88.15	74.90	88.25	74.85	53127	51451	15916	15451
July 2021	96.55	79.55	96.65	79.50	53291	51803	15962	15513
August 2021	95.80	77.55	95.85	77.40	57625	52804	17154	15835
September 2021	86.85	76.65	86.90	76.55	60412	57264	17948	17055
October 2021	88.95	77.90	89.40	77.70	62245	58551	18604	17453
November 2021	83.40	67.00	83.50	67.00	61037	56383	18210	16782
December 2021	75.05	63.00	75.20	63.90	59203	55133	17640	16410
January 2022	82.10	70.30	82.25	70.45	61475	56410	18351	16837
February 2022	84.00	58.70	84.40	57.10	59619	54383	17795	16203
March 2022	72.65	62.50	78.60	62.30	58891	52261	17560	15671

(Source: Official website of BSE Limited & National Stock Exchange of India Limited)

i) Registrar and Share Transfer Agent and process of transfer of shares :

Effective 31st March, 2003, **M/s. Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, MH, IN** have been acting as the Registrar and Share Transfer Agents. All the Shareholders and Investors related Services, subject to the approval of the Company either through Board or Committee of the Board, are done by the said Registrar and Share Transfer Agent for and on behalf of the Company.

j) a) Distribution of Shareholding as on 31st March, 2022:-

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5,000		63,327	85.87	9,63,17,970	5.35
5,001	10,000	5,872	7.96	4,79,17,390	2.66
10,001	20,000	2,453	3.33	3,73,74,330	2.07
20,001	30,000	758	1.03	1,95,43,900	1.09
30,001	40,000	310	0.42	1,11,22,740	0.62
40,001	50,000	321	0.43	1,53,90,240	0.85
50,001	1,00,000	388	0.53	2,88,93,250	1.60
1,00,001	1,80,21,94,480	319	0.43	1,54,56,34,660	85.76
Total		73,748	100.000	1,80,21,94,480	100.00

j) b(i) Pattern of Shareholdings as on 31st March, 2022:-

S. N.	Category	No. of Holders	No. of Shares	%
1	Promoter and Promotor Group (Foreign)	3	8,20,61,261	45.53
2	Promoter and Promotor Group (Indian)	2	1,01,33,565	5.62
3	Foreign Portfolio Investors	4	3,90,313	0.22
4	Non-Resident Indians	343	6,14,419	0.34
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	334	21,07,946	1.17
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust	11	41,439	0.02
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	72,934	6,33,98,402	35.18
11	Clearing Members and Corporations	107	2,97,487	0.17
12	IEPF Authority (MCA)	1	31,10,611	1.73
Total		73,748	18,02,19,448	100.00

j) b(ii) Pattern of Shareholdings as on 31st March 2022:-

S. N.	Category	No. of Holders	No. of Shares	%
1	Promoter and Promotor Group (Foreign)	3	8,20,61,261	45.53
2	Promoter and Promotor Group (Indian)	2	1,01,33,565	5.62
3	Foreign Portfolio Investors	4	3,90,313	0.22
4	Non-Resident Indians and FIIs	340	6,14,419	0.34
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	330	21,07,946	1.17
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust	11	41,239	0.02
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	71,818	6,33,98,402	35.18
11	Clearing Members and Corporations	83	2,97,487	0.17
12	IEPF Authority (MCA)	1	31,10,611	1.73
Total		72,601*	18,02,19,448	100.00

* The difference of 1,147 (73,748 less 72,601) Shareholders in the total number of Shareholders, is due to elimination of number of Shareholders holding equity shares in the capital of the Company, having multiple folio/s or demat account with same IT PAN. The SEBI directed the RTA's to provide the pattern of shareholding to listed entity, after clubbing and eliminating the Shareholders having multiple folios or demat account with same IT PAN while filing shareholding pattern on quarterly basis with the Stock Exchanges.

For sake of convenience and better understanding, the pattern of shareholding with or without number of shareholders holding equity shares in the capital of the Company, having multiple folios or demat account with same IT PAN is being provided.

k) Dematerialisation of Shares and Liquidity :-

The equity shares of the Company are compulsorily traded in electronic form only. As on 31st March, 2022, there were 11,12,87,362 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 61.75 % of the total paid-up share capital of the Company.

The equity shares of the Company were listed and actively traded on BSE Limited (**BSE**) and National Stock Exchange of India Limited (**NSE**) and have very good liquidity.

l) Risk Management and Hedging policy

Pursuant to Regulation 21 of the Listing Regulations, as amended, Sunflag Steel has constituted a Risk Management Committee to oversee the risk management frame work.

Market Risk :

Market risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk, that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on present status of the financial assets and financial liabilities held.

Risk mitigation measures

Proactive tracking of financial covenants and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total loan portfolio. Regular review of hedging strategy, close monitoring of plant operations, cost optimization, inventory, receivables and trade payables.

Mitigation measures of Financial Risk/ Liquidity Risk

To control the risk due to fluctuation in foreign exchange rates and risk of shortage of funds, the Company has initiated the following efforts:

- To enter into a hedging contract/s, particularly for import transaction/s.
- To ensure strict corporate governance policy and timely reporting system.

The Company maintains balance between continuity of funding and flexibility through use of internal generation and availing of bank loan.

m) ADDRESS FOR CORRESPONDENCE OF SHAREHOLDERS	
For all matters relating to Shares and Dematerialisation of shares be sent to :	For all matters relating to Annual Reports / Dividend / Grievances :-
M/s. Bigshare Services Private Limited Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, MH, IN Phone : +91 22 6263 8200 (100 Lines) Fax : +91 22 2847 5207 E-mail : investor@bigshareonline.com; Website : http://www.bigshareonline.com	Company Secretary & Compliance Officer Sunflag Iron and Steel Company Limited 33, Mount Road, Sadar, Nagpur - 440001, MH, IN Phone : +91 712 2524 661/ 2520 356-358 Fax : +91 712 2520 360 E-Mail : investor@sunflagsteel.com Website : http://www.sunflagsteel.com

n) Plant Location :-

Sunflag Iron and Steel Company Limited

Works: Warthi, P.O.: Bhandara Road, Bhandara - 441905, MH, IN

Phone Nos : +91 7184 285551 to 285555

15) CEO/CFO Compliance Certificate :-

The Company has also obtained a certificate from the CEO and CFO of the Company regarding compliances, in terms of Part B of Schedule II read with Regulation 17(8) of the Listing Regulations.

16) Certificate on Corporate Governance:-

The Company has obtained a Certificate from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Unique Identification No. S2015MH344000), regarding compliance stipulation of Corporate Governance as stipulated in the Listing Regulations and the same is reproduced hereunder.

The Company has also obtained a Certificate from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Unique Identification No. S2015MH344000), regarding Non-disqualification of Directors as stipulated in the Listing Regulations and the same is reproduced hereunder.

17) Confirmation of Compliance

- i) The Company has duly complied with submission of Annual Secretarial Compliance Report obtained from M/s. Mukesh Parakh & Associates, Company Secretaries, Nagpur (Unique Identification No. S2015MH344000), for the Financial Year 2021-22 pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) [Listing Regulations] read with the SEBI Circular bearing No. CIR/CFD/CMD1/27/2019 dated 08th February, 2019, with the Stock Exchanges – BSE & NSE on 28th May, 2022.
- ii) The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations. It has also fully complied with the requirements of sub para (2) to (10) of part C of Schedule V of the Listing Regulations applicable to the Corporate Governance Report.

- iii) The Company has duly informed and/or submitted the change in Credit Rating allocated by CARE Ratings Limited for its Long-term, Short-term Borrowing/s and Commercial Paper (proposed) to the Stock Exchanges, the details of which are as follows:

S.N.	Facilities/ Instrument Type	Amount	Rating/Outlook
1.	Long Term Bank Facilities	INR 857.09 Crore	CARE A+; Stable (Single A plus; Outlook: Stable) [Revised from CARE A; Positive (single A; Outlook: Positive)]
2.	Long Term / Short Term Bank Facilities	INR 348.10 Crore	CARE A+; Stable/CARE A1+ (Single A Plus; Outlook: Stable / A One plus) [Revised from CARE A; Positive / CARE A1 (Single A; Outlook: Positive / A one)]
3.	Commercial Paper (Proposed)	INR 100 Crore	CARE A1 + (A one Plus)

- iv) The matters required to be covered under the Management Discussion and Analysis report are covered separately and forms part of the Annual Report.
- v) The total fees paid by the Company, to the Statutory Auditors during the Financial Year 2021-22 is ₹ 21,00,000/-.
- vi) Disclosures in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been given in the form of a Certificate as **Annexure IV** to the Board Report.

NON-MANDATORY REQUIREMENTS

i. Shareholder Rights:-

The financial results are not being furnished to the individual Shareholders as they are furnished to the Stock Exchanges and also published through the Newspapers (Indian Express in English and Loksatta in Marathi Language) as well as displayed on the Company's Website www.sunflagsteel.com.

ii. The Board

The office of Non-Executive Chairman is maintained at the expense of the Company and he is entitled for re-imbursement of expenses incurred in the performance of his duties as Chairman.

iii. Reporting of Internal Auditors:-

The Internal Auditors report to the Audit Committee of the Board of Directors of the Company.

iv. Separate posts for the Chairperson and the Managing Director

Separate persons hold the office of the Chairman and the Managing Director and the Chairman is a Non-executive Director.

v. Modified Opinion (s) in Audit Report :

The Audit Report on the Company's financial statements for the Financial Year 2021-22 does not contain any modified opinion.

For and on behalf of the Board

Nagpur
12th August, 2022

Pranav Bhardwaj
Managing Director
DIN - 00054805

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

Declaration from the Managing Director of the Company regarding the adherence to the Code of Business Conduct and Principles by the Board of Directors and Senior Management of the Company.

To
The **Members** of
Sunflag Iron and Steel Company Limited
CIN : L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur - 440001

On the basis of the written declaration received from the Members of the Board and Senior Management Personnel of the Company in terms of Part D of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), I do hereby certify that the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Business Principles and Conduct of the Company during the Financial Year 2021-22.

For and on behalf of the Board

Nagpur
12th August, 2022

Pranav Bhardwaj
Managing Director
DIN - 00054805

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
 The Shareholders (Members)
Sunflag Iron and Steel Company Limited
C I N – L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur-440001

We have examined the compliance of conditions of Corporate Governance by **Sunflag Iron and Steel Company Limited** (hereinafter referred to as '**the Company**') for the financial year 2021–2022 ended 31 March 2022, as stipulated in Regulation 15(2) [Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended], (hereinafter referred to as '**Listing Regulations**').

Managements' Responsibility

The compliance of conditions of the Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us together with the representations provided by the Company Management, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 15(2) [Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V] of the SEBI Listing Regulations for the financial year 2021–2022 ended 31 March 2022.

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

Signed and Issued on this Friday, the 12 day of August 2022 at Nagpur.

For Messers Mukesh Parakh & Associates
Company Secretaries
Unique Identification Number S2015MH344000

CS Mukesh Dulichandji Parakh
Proprietor
Membership No. FCS - 4343
Certificate of Practice No. 13693
Peer Review Certificate No. 846/2020

Unique Document Identification Number (UDIN): F004343D000789611 Dated 12 August 2022.

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 (as amended)]*

To
The Shareholders (Members)
Sunflag Iron and Steel Company Limited
C I N – L 27100 MH 1984 PLC 034003
33, Mount Road, Sadar, Nagpur – 440001

We have examined the relevant registers, records, forms, returns and declarations or disclosures received from all the Director/s of **Sunflag Iron and Steel Company Limited**, [CIN - L 27100 MH 1984 PLC 034003], and having its registered office at 33, Mount Road, Sadar, Nagpur – 440001, MH, IN, (hereinafter referred to as '**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, Clause 10(i), of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended].

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 together with representations furnished to us by the Company, its officers, agents and authorised representatives, and considering the relaxation/s granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 Pandemic and also, the limitation for verification of physical record/s of the Company, which were obtained through electronic mode, We do hereby certify that None of the Director/s on the Board of the Company as stated below for the financial year 2021–2022 ended 31 March 2022 have been debarred or disqualified from being appointed or continuing as the Director/s of Company or Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), or any such other Statutory Authority:-

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ramchandra Vasant Dalvi	00012065	14/08/2017
2.	Mr. Edayathimangalam Ramnath Chandra Shekar	00013670	05/09/1991
3.	Mr. Anand Sadashiv Kapre	00019530	12/11/2019
4.	Mr. Ravi Bhushan Satya Dev Bhardwaj	00054700	01/10/1998
5.	Mr. Pranav Ravi Bhardwaj	00054805	03/02/2000
6.	Mr. Surendra Kumar Premnarayan Gupta	00054836	21/05/2017
7.	Mr. Sajiv Dhawan	00160085	12/08/2019
8.	Mr. Kumar Jitendra Singh	00626836	05/08/2014
9.	Mr. Rambhatla Muralidhar	00982212	14/08/2017
10.	Mr. Suhrit Ravi Bhushan Bhardwaj	02318190	27/03/2017
11.	Mrs. Vinita Bahri	03109454	13/03/2020
12.	Mrs. Neelam Naresh Kothari	06709241	29/09/2014

Ensuring the eligibility of, for the appointment or 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.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signed and Issued on this Friday, the 12 day of August 2022 at Nagpur.

For Messers Mukesh Parakh & Associates
Company Secretaries
Unique Identification Number S2015MH344000

CS Mukesh Dulichandji Parakh
Proprietor
Membership No. FCS - 4343
Certificate of Practice No. 13693
Peer Review Certificate No. 846/2020

Unique Document Identification Number (UDIN): F004343D000789644 Dated 12 August 2022.

INDEPENDENT AUDITORS' REPORT

To
The Members
Sunflag Iron and Steel Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Sunflag Iron and Steel Company Limited** ("the Company"), which comprise the balance sheet as at 31st March, 2022, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below the key audit matters to be communicated in our audit report.

For each matter below, our description of how our audit addressed the matter is provided in that context.

Sr. No.	Key Audit Matter	Principal Audit Procedures
1.	<p>Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers".</p> <p>(Refer Sub-note No XVII of Note 2 of Accounting Policy).</p> <p>The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.</p>	<ul style="list-style-type: none"> We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts.
2.	<p>The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment.</p> <p>Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.</p>	<ul style="list-style-type: none"> Assessing the procedures implemented by the company to identify and gather the risks it is exposed to. Discussion with the management on the development in theses litigations during the year ended 31st March, 2022. Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable. Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/management. Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

Information Other than the Standalone 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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, read with relevant Rules as applicable as amended.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 SAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 with reference to financial statements 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 the 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 financial statements 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 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 the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 of the aforesaid standalone financial statements;
 - 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 balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 expresses 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 the requirements of section 197(16) of the Act, as amended :
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act; and
 - h) 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 as at March 31, 2022 on its financial position in its standalone Ind AS financial statement refer Note 33 to the standalone financial statements;
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022;
 - iv. (a) Management has represented to us that , to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) Management has represented to us that, to the best of its knowledge and belief , other than as disclosed in the notes to the account no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
 - v. In our opinion, and according to the information and explanations given to, the company has not declared and paid dividend during the year, Hence, provisions of section 123 to the Act are not applicable to the Company and has not commented upon.

New Delhi
27th May, 2022

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 22095541AKDYKL2910

“ANNEXURE - A” TO INDEPENDENT AUDITOR’S REPORT

Annexure A to the Independent Auditor's Report to the members of Sunflag Iron and Steel Company Limited on its standalone financial statements dated May 27, 2022.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- b) As explained to us, property, plant and equipment and right of use assets were physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanations given to us and the records examined by us in respect of immovable properties disclosed as property, plant and equipment's and right to use assets (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the financial statements are held in the name of the Company.
- d) According to information and explanations given to us and records examined by us, Company has not revalued its property, plant and equipment and right of use assets during the year. Further, the Company does not hold any intangible assets.
- e) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii) a) As explained to us and on the basis of the records examined by us, in our opinion, physical verification of the inventories have been conducted at reasonable intervals by the management and having regard to the size and nature of business of the Company and nature of its inventory, the coverage and procedures of such verification by the management is appropriate except for goods in transit and stock lying with third parties. For stock lying with third parties at the year end, written confirmations have been obtained and in respect of goods in transit, subsequent goods receipt have been verified or confirmation have been obtained from the parties.. As explained to us and on the basis of the records examined by us, the value of the discrepancies noticed on physical verification by management did not exceed 10% or more in aggregate of each class of inventory and have been properly dealt with in the books of accounts.
- b) As disclosed in note 20 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are not in agreement with the books of accounts of the Company and the details are as follows:

(₹ in Lakh)

Quarter Ending	Value as per Books of Accounts	Value as Per Quarterly Statement filed with Lenders	Difference	Reason for Difference
30 th June, 2021	74822	76365	(1543)	As explained by the management, the differences are due to statements filed with the lenders are based on financial statements which are prepared on provisional basis and also on account of exclusion of certain current assets in the statements filed with the lenders.
30 th September, 2021	73991	69424	4567	
31 st December, 2021	80930	75109	5821	
31 st March, 2022	84611	84432	179	

- iii) With respect to investments made in or any guarantee or security provided or any loans or advances in the nature of loans, secured or unsecured, granted during the year by the Company to companies, firms, Limited Liability Partnerships or any other parties:
- a) As per the information and explanations given to us and books of accounts and records examined by us, during the year the Company has provided loans to a subsidiary company amounting to Rs.2 lakhs and has not provided any security, guarantee or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other entities (including subsidiaries/ joint ventures /associates).

(₹ in Lakh)

	Loans
Aggregate amount granted/ provided during the year	
Subsidiary	2
Balance outstanding as at balance sheet date in respect of above cases	
Subsidiaries	1,767#

#includes Rs. 737 lakhs impairment provision made in the earlier years.

- b) In our opinion and according to information and explanations given us and on the basis of our audit procedures, the investments made and the terms and conditions of all loans and advances in the nature of loans provided are, prima facie, not prejudicial to Company's interest.

- c) According to the books of accounts and records examined by us in respect of the loans and advances in the nature of loans granted to subsidiaries are repayable on demand as agreed. In respect of these loans, we are informed that the company has not demanded repayment of such loans, hence repayment and receipt are being treated as regular. In respect of interest on such loans from the subsidiary, the company has charged interest for the period 01st April, 2021 to 31st March, 2022 and waived off as approved in its Board Meeting.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, we are informed that the company has not demanded the repayment of the loans granted to subsidiaries, hence, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) In our opinion and according to the information and explanations given and books of accounts and records examined by us, there were no loans which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties
- f) According to the information and explanations given to us and based on the audit procedures performed by us, the company has granted following amount of loans repayable on demand to related parties as defined in clause (76) of section 2 of the Companies Act, 2013

(₹ in Lakh)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	1,767	-	1,767
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	1,767	-	1,767
Percentage of loans/ advances in nature of loans to the total Loans	100%	-	100%

- iv) In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act. Refer clause (iii) above for loans granted to subsidiaries.
- v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b) According to the records of the Company, there are no dues except in respect of Income-tax, Service-tax, Customs Duty and Excise Duty which have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending are given below:

(₹ in Lakh)

Name of Statute	Nature of dues	Amount	Amount of Dispute	Net Amount Outstanding	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	485 (Note 1)	18	467	2012-2013 & 2013-2014	CESTAT, Mumbai
Customs Act, 1962	Reversal of Duty drawback	251	19	232	2004-2014	Commissioner (Appeal) Customs, Nhavaseva
Service Tax Act, 1994	Service Tax under RCM	10	0	10	April 2016 to August 2019	Deputy Commissioner, Nagpur
Central Excise Act, 1944	Diff. Central Excise Duty on VAT	285	12	273	June 2012 to October 2015	Central Excise Commissioner Nagpur
Income Tax Act, 1961	Income Tax	132	132	0	Assessment Year 2015-16	Commissioner of Income Tax (Appeal) before National Faceless Appeal Centre, New Delhi

Note 1: Interest on demand not consider for the purpose of above disclosures.

- viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

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- ix) a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender including the loans and interest which are repayable on demand.
- b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared wilful defaulter by any bank, financial institution or other lenders or government or any government authority.
- c) Term loans were applied for the purpose for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, prima facie, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.
- x) a) According to the information and explanations given to us and as per the books and records examined by us, the company has not raised money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under clause 3 (x) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause 3 (x) (b) of the Order is not applicable to the Company.
- xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause 3 (xi) (a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii) In our opinion the Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- 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 applicable accounting standards.
- xiv) a) The Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) In our opinion, and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to Section 192 of the Act.
- xvi) a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3 (xvi) (a) to (c) of the Order is not applicable to the Company.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause 3 (xvi) (d) of the Order is not applicable.
- xvii) In our opinion, and according to the information and explanations provided to us, the Company has not incurred cash losses in the current financial year and in the immediate preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx) With respect to CSR contribution under section 135 of the Act:
- a) According to the information and explanations given to us and on the basis of our audit procedures, in respect of other than ongoing projects, there were no unspent amount that were required to be transferred to a Fund specified in Schedule VII in compliance with second proviso to sub-section 5 of section 135 of the Act.
- b) In respect of ongoing projects, the Company has transferred unspent amount of Rs. 504 lakhs to a special account, within a period thirty days from end of the financial year in compliance with section 135 (6) of the Companies Act as disclosed in note 44 (iv) to the financial statements,
-

xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

New Delhi
27th May, 2022

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 22095541AKDYKL2910

Annexure B to the Independent Auditor's Report to the members of Sunflag Iron and Steel Company Limited (the "Company") on its standalone financial statements dated 27th May, 2022.

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section

We have audited the internal financial controls over financial reporting of the **Sunflag Iron & Steel Co. Limited** ('the Company') as of 31st March, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 (the "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 its 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the standalone 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:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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 authorisations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised 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, to the best of our information and according to the explanations, given to us 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 March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

New Delhi
27th May, 2022

Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 22095541AKDYKL2910

**SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
BALANCE SHEET AS AT 31st MARCH, 2022**

Particulars	Note No.	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	1,19,700	1,13,170
b) Right of Use Assets	3	5,304	5,601
c) Capital work-in-progress	3	35,027	15,026
d) Financial assets			
i. Investments	4	1,389	1,389
ii. Non- Current Loans	5	1,030	1,028
iii. Other Financial Assets	6(a)	7,666	1,670
e) Other non current asset	6(b)	2,348	8,807
Total non-current assets		1,72,464	1,46,691
2. Current Assets			
a) Inventories	7	83,694	54,380
b) Financial assets			
i. Trade receivables	8	27,630	21,022
ii. Cash and cash equivalents	9(a)	1,468	1,740
iii. Bank balances other than above	9(b)	5,169	5,194
iv. Others	10	115	127
c) Income tax assets (net)	11	756	-
d) Other current assets	12	15,527	7,983
Total current assets		1,34,359	90,446
TOTAL ASSETS		3,06,823	2,37,137
B. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share capital	13	18,022	18,022
b) Other equity	14	1,55,602	1,34,056
Total shareholders' funds		1,73,624	1,52,078
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	18,893	12,945
ii. Lease liabilities	16(a)	5,581	5,721
iii. Other financial liabilities	16(b)	879	1,525
b) Provisions	17	3,404	3,909
c) Deferred tax liabilities (Net)	18	16,647	17,252
d) Other non-current liabilities	19	12	60
Total non-current liabilities		45,416	41,412
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20(a)	33,481	7,481
ii. Lease liabilities	20(b)	293	254
iii. Trade Payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		1,059	810
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		44,260	25,755
iv. Other financial liabilities	22	7,995	8,352
b) Other current liabilities	23	695	400
c) Current tax liabilities (net)	24	-	595
Total current liabilities		87,783	43,647
TOTAL EQUITY AND LIABILITIES		3,06,823	2,37,137

Significant accounting policies

1 & 2

The accompanying notes form an integral part of these financial statements.

As per our report of even date as attached

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

K. J. SINGH
DIRECTOR
VINITA BAHRI
DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022

Particulars	Note No.	Year Ended 31.03.2022 (₹ in Lakh)	Year Ended 31.03.2021 (₹ in Lakh)
Income			
1. Revenue from Operations	25(a)	2,69,826	1,89,155
2. Other Income	25(b)	451	1,092
Total Income		2,70,277	1,90,247
3. Expenses :			
Cost of Raw Materials & Components Consumed	26(a)	1,91,352	1,09,761
Other Manufacturing Expenses	26(b)	42,883	23,334
Changes in inventories of finished goods and work-in-progress	27	(27,218)	11,211
Employee Benefits Expense	28	9,786	9,246
Finance Costs	29	4,225	2,948
Depreciation and Amortization Expenses	30	7,631	7,018
Other Expenses	31	13,189	10,869
Total Expenses		2,41,848	1,74,387
4. Profit before tax		28,429	15,860
5. Tax Expense :			
(a) Current tax	18	7,394	4,772
(b) Deferred tax	18	(605)	(992)
(c) Income tax pertaining to earlier years		-	(1,272)
6. Net Profit after tax for the year		21,640	13,352
7. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Actuarial Gain on remeasurements of the defined benefit plans		(89)	68
- Provision for Foreign Currency hedging		(5)	-
8. Total Comprehensive Income for the year (Net of Tax)		21,546	13,420
9. Earnings per equity share (Amount in ₹)			
Basic	32	12.01	7.41
Diluted	32	12.01	7.41
Significant accounting policies	1 & 2		

The accompanying notes form an integral part of standalone financial statements.

As per our report of even date as attached

For NSBP & CO.
Chartered Accountants
FRN : 001075N
DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

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CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Particulars	For the year ended 31.03.2022 (₹ in Lakh)		For the year ended 31.03.2021 (₹ in Lakh)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		28,429		15,860
Items that will not be reclassified to profit or loss		-		-
<u>Adjustments for:</u>				
Depreciation and amortisation		7,631		7,018
Finance costs		4,225		2,948
Interest income		(307)		(591)
Actuarial Gain/(Loss)		(89)		68
Provision for reversal of foreign currency hedging		(5)		-
Provision for diminution in investment and Loans		-		670
Provision for earlier years no longer required		804		-
Provision for doubtful trade and other receivables, loans and advances		(152)		408
Operating profit / (loss) before working capital changes		40,536		26,381
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(29,314)		1,897	
Trade receivables	(6,456)		733	
Short-term loans and advances	(744)		1,681	
Long-term loans and advances	(5,261)		820	
Other current assets	(7,544)		1,090	
Other non-current assets	5,722	(43,597)	(2,836)	3,385
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	18,754		(3,994)	
Other current liabilities	(2,752)		2,068	
Short-term provisions	-		-	
Other long-term liabilities	(225)		(154)	
Long-term provisions	(1,006)	14,771	(570)	(2,650)
Cash generated from operations		11,710		27,116
Income Tax (paid)/refund (net)		(7,394)		(4,772)
Net cash flow from / (used in) operating activities (A)		4,316		22,344
B. Cash flow from investing activities				
Capital expenditure on Property Plant & Equipment, including capital advances		(33,865)		(5,366)
Proceeds from sale of Property Plant & Equipment		-		-
Other Bank deposits not considered in Cash & Cash equivalent (net)		25		(732)
Interest income		307		591
Long-term investments in; - Joint ventures		-		(490)
Net cash flow from / (used in) investing activities (B)		(33,533)		(5,997)
C. Cash flow from financing activities				
Proceeds from long-term borrowings		17,500		1,730
Repayment of long-term borrowings		(9,112)		(1,521)
Net (decrease)/ increase in working capital borrowings		26,000		(11,203)
Proceeds from other short-term borrowings		-		-
Repayment of unsecured Deferred Sales Tax Loan		(648)		(812)
Finance cost		(3,632)		(2,341)
Dividends paid		-		-
Lease Repayment		(1,163)		(981)
Net cash flow (used in)/ from financing activities (C)		28,945		(15,128)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(272)		1,219
Cash and cash equivalents at the beginning of the year		1,740		521
Effect of exchange differences on restatement of foreign currency		-		-
Cash and cash equivalents at the end of the year		1,468		1,740
Component of cash and cash equivalents	As at 31.03.2022 (₹ in Lakh)		As at 31.03.2021 (₹ in Lakh)	
Cash and Cash Equivalents				
- Cash on hand		21		16
- Balances in current accounts		1,447		527
- Debit Balance in cash credit account		-		1,197
		1,468		1,740

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Cash Flow Continued....
Changes in liabilities arising from financing activities

Particulars	At the beginning	Cash flows	Fair value changes	Foreign exchange movement	As at the end 31 st March, 2022
Non-Current Borrowings	17,280	7,740	-	-	25,020
Current Borrowings	3,146	24,208	-	-	27,354

Notes : i. Figures in bracket indicate cash outflow. ii. The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 specified under section 133 of the Companies Act, 2013. iii. Previous year figures have been regrouped and rearranged, wherever necessary to confirm to the current year's classification.

As per our report of even date as attached
For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

PRANAV BHARDWAJ
MANAGING DIRECTOR

K. J. SINGH
DIRECTOR

DEEPAK K AGGARWAL
Partner
M. No. 095541

S. K. GUPTA
Dy. MANAGING DIRECTOR

VINITA BAHRI
DIRECTOR

New Delhi
27th May, 2022

CA R. MURALIDHAR
DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

Nagpur
27th May, 2022

ASHUTOSH MISHRA
COMPANY SECRETARY

Statement of changes in equity for the year ended 31st March, 2022
a) Equity Share Capital

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1st April, 2020	18,02,19,448	18,022
changes during the year	-	-
As at 31st March, 2021	18,02,19,448	18,022
changes during the year	-	-
As at 31st March, 2022	18,02,19,448	18,022

b) Other equity
(₹ in Lakh)

Particulars	Reservs and Surplus			Other comprehensive Income			Total
	Securities premium	General reserve	Retained earnings	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
As at April 01, 2020	3,785	256	79,770	36,303	-	522	1,20,636
Net Profit for the year	-	-	13,352	-	-	-	13,352
Other comprehensive income for the year	-	-	-	-	-	68	68
Additional Depreciation (net of taxes) on Revalued assets transferred to retained earnings	-	-	1,249	(1,249)	-	-	-
As at March 31, 2021	3,785	256	94,371	35,054	-	590	1,34,056
Net Profit for the year	-	-	21,640	-	-	-	21,640
Other comprehensive income for the year	-	-	-	-	(5)	(89)	(94)
Additional Depreciation (net of taxes) on Revalued assets transferred to retained earnings	-	-	1,325	(1,325)	-	-	-
As at March 31, 2022	3,785	256	1,17,336	33,729	(5)	501	1,55,602

Nature of reserves

- Retained earnings represent the undistributed profits of the Company.
- Other Comprehensive Income (OCI) reserve represent the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to profit and loss, and (ii) items that will be reclassified to statement of profit and loss.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under erstwhile Companies Act, 1956 it was mandatory to transfer the amount before a company can declare dividend. However under Companies Act, 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Securities Premium represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. When security premium is not available, premium on redemption of securities is accounted for in Statement of profit and loss. Section 52 of Companies Act, 2013 specifies restriction and utilisation of security premium.

As per our report of even date as attached
For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

PRANAV BHARDWAJ
MANAGING DIRECTOR

K. J. SINGH
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New Delhi
27th May, 2022

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DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

Nagpur
27th May, 2022

ASHUTOSH MISHRA
COMPANY SECRETARY

Notes forming part of the Financial Statements for the year ended 31st March, 2022**1. Corporate information**

Sunflag Iron and Steel Company Limited (the 'Company') was incorporated in 1984 and is engaged in the business of manufacturing and sale of special steel rolled products. The Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The registered office of the Company is situated at 33, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

These standalone financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

2. Significant accounting policies**I. Basis of preparation**

The financial statement of the Company has been prepared in accordance with the Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standard), Rules 2015, as amended and other relevant provisions of the Companies Act, 2013.

These standalone financial statements have been prepared under the historical cost convention on the accrual basis, and certain financial instruments are measured at fair value, as explained in accounting policies.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of the financial statements in conformity with Indian Accounting Standards (Ind AS) requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or

in the period of the revision and future periods if the revision affects both current and future years and, if material, their effects are disclosed in the notes to the financial statements. Actual results could vary from these estimates.

The standalone financial statements for the year ended 31st March, 2022 were authorized and approved for issue by the Board of Directors on 27th May, 2022.

II. Property, plant and equipment

Plant & Machinery and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. All other assets viz. Land, Furniture, vehicles, Equipment, Electrical fittings etc. are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Property, plant and equipment are recognized at cost net of duty or tax credit availed, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts, rebates & Input of GST and other taxes availed, are deducted in arriving at the purchase price. When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and depreciated it accordingly. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred. Machinery Spares /Standby equipment's which are used only in connection with Property, plant and equipment and are of material value to the overall value of the asset are capitalized.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

Capital expenditure on tangible assets for research and development is classified under property, plant and machinery are depreciated on the same basis as other property, plant and equipment.

III. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

- Cash or a cash equivalent unless it is 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.

Deferred tax assets and liabilities are classified as non-current assets /liabilities

Liability is treated as current when it is:

- Expected to be settled in normal operating cycle.
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

IV. Intangible assets

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under IndAS-38 - Intangible Assets.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

V. Depreciation and amortization

The assets' residual values, useful lives and methods of depreciation are reviewed each financial year end and adjusted prospectively, if applicable.

Depreciation on property, plant and equipment is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013 on straight line method except in case of heavy & light vehicles which are depreciated on written down basis.

However, in respect of certain plant & machinery and electric installation, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the technical expert and management estimate. The details of which are as follows: -

Asset Description (As shown in Financials)	Useful life in years (As per Financials)	Useful life in years as per Schedule - II of the Companies Act, 2013
Freehold Land		
Freehold Land	20,90,95,100	-
Lease Hold Land		
Lease Hold Land	30,95	-
Building including roads		
Buildings Factory	30	30
Non Factory Building	58, 60	60
Township	60	60
Welfare Buildings	60	60
Office Buildings	10, 60	60
Temporary Building	1	3
Boundary Wall & Fencing	5	5
Approach Roads	5,10	10 (RCC) & 5 (Other)
Railway Siding	15	15
Plant and Machinery		
Plant & Machinery	8, 10, 15, 18, 20, 25, 30	-
Electrical fittings	10	10
Computers	3, 6	3,6
Combusters WHRB	15 Years	15 Years
Furniture fixtures and others		
Furniture fixtures and others	8	10
Vehicles		
Light Vehicles	8, 6, 10	8
Heavy Vehicles	8	8
Office equipment		
Office equipment	5, 10	5
Development of Mines		
Development of Mines	20, 27, 30	-

Property, plant and equipment which are added / disposed-off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

No depreciation is charged on free hold land and capital work in progress.

Intangible assets are amortised over its useful life not exceeding six years on straight line basis.

VI. Impairment of non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for the assets previously revalued with the revaluation taken to other comprehensive income (OCI). For such assets, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

VII. Inventories

Inventories are valued as under :

a) Raw materials & components	At cost weighted moving average method.
b) Consumables, store & spares	At cost weighted moving average method.
c) Finished and semi-finished goods	At lower of cost of raw material cost and proportion of manufacturing overheads or net realisable value.
d) Work in progress	At lower of cost of material, plus appropriate production overheads or net realisable value
e) Any other saleable products of the manufacturing process	At the lower of the estimated net realisable value or cost
are considered as finished goods	

Cost represents, cost incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realisable value.

Cost is calculated on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs required to make the sale.

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related expenses. Materials and supplies held for use in the production of inventories are not written down if the finished product in which they will be used are expected to be sold at above cost.

VIII. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and Cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.

IX. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

"Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

X. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard Ind AS-19 - Employee Benefits.

a) Long term benefit**■ Defined benefit plan**

The Company's liabilities on account gratuity is determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19- 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution gratuity policy taken from Life Insurance Corporation (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur.

■ Defined contribution plan

Retirement benefits in the form of provident fund are accrued as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Contributions payable to the employee's provident fund in respect of the company are charged to the statement of profit and loss. There are no other than the contribution payable to the provident fund/trust.

Liability towards superannuation is funded in accordance with the scheme with Life Insurance Corporation of India.

b) Short term benefits

Short term employee benefits are recognized as expenses in the statement of profit & loss of the year in which related services are rendered.

Leave salary in respect of accumulated earned leave has been provided for according to the service rules of the Company.

XI. Earnings per share

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.

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 potential dilutive equity shares.

XII. Provisions, contingent liabilities, contingent assets and commitments :**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provision presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Mine restoration or assets retirement obligation

Mine restoration expenditure is provided for in the statement of profit and loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The unwinding of the discount on provision is shown as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in the case of :-

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.
- A present obligation arises from the past event, when no reliable estimate is possible.
- A present obligation arises from the past event, unless the probability of outflow is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Onerous contract

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

XIII. Segment accounting and reporting

The company's business falls within a primary business segment viz. "Iron and Steel Business".

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

XIV. Investment in Subsidiaries, Joint Ventures & Associates

Investment in subsidiaries, joint ventures & associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

XV. Government grant / assistance

Government grant with a condition to purchase, construct to otherwise acquire long term assets are initially measured based on grant receivable under the scheme. Such grants are recognized in the statement of profit & loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimate are recognized prospectively over the remaining useful of life of assets. Government revenue grants relating to costs are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate.

XVI. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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 purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

XVII. Revenue recognition

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, regardless of when the payment is being made. Revenue from sale of manufactured goods i.e. steel rolled products is recognised in accordance with Ind AS 115 issued by Ministry of Corporate Affairs and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and exuding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must be met before revenue is recognized:

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Ind AS 115 provides for a five-step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company provides cash in kind discounts at fair value to customers. These benefits are passed to customers on achievement of certain target of sales by respective customers.

Consideration received is allocated between the products sold and discount to be allowed to customers. Fair value of the in-kind discount is determined by applying principle of Ind AS 113, i.e. at market rate. The fair value of the in-kind discount is deferred and recognised as revenue when the in-kind discount is issued.

b) Other operating income

Revenue from job work charges, incentives on exports and other government incentives related to operations are recognized in books after due consideration of certainty of utilization / receipt of such incentives.

c) Other income

Interest income on fixed deposit with banks and security deposit MSEB is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the company's right to receive payment is established.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

XVIII. Foreign currency translation / conversion

Standalone financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

a) Initial recognition

Foreign currency transactions are recorded in initial recognition in the functional currency, using the exchange rate at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the statement of profit and loss.

d) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

e) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange difference arising from foreign currency borrowings to the extent are regarding as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such assets is added to the cost of the assets.

Other borrowing cost are expensed in the period in which they are incurred.

XIX. Equity shares

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

XX. Financial Instruments**1. Initial recognition**

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

2. Subsequent measurement**Non-derivative financial instruments****a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Financial assets at fair value through profit or loss (FVPL)

A financial asset i.e. equity which is not classified as FVOCL, are subsequently fair valued through profit or loss.

e) Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognised less cumulative amortisation.

f) Impairment of financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss profit or loss.

g) Cash and cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing with one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3. De-recognition

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or canceled or expires.

4. Reclassification of financial assets

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including, impairment gains or losses) or interest.

5. Offsetting of financial instruments

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

XXI. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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.

The fair value of an asset or a 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.

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 the best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

XXII. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement:

a) Property, Plant and Equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Income taxes

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

c) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of Contingencies / claim / litigations against the Company as it is possible to predict the outcome of pending matters with accuracy.

d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

e) Mine restoration obligation

In determining the fair value of the mine restoration obligation, the company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on the government bond of similar tenure.

XXIII. Recent Accounting pronouncement :

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheets :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss :

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes forming part of the financial statements for the year ended 31st March, 2022

3. Property, plant and equipment (PPE), Right of use assets and capital work in progress

(₹ in Lakh)

Particulars	Property, Plant and Equipment (PPE)-At Cost										PPE-Revalued		Right of use Assets as per Ind AS 116		Total	Capital Work in Progress
	Freehold Land	Leasehold Land	Railway Siding	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines	Electrical fittings & Computers	Building including Roads	Plant & Machinery	Leasehold land	Plant & Machinery				
Gross Block																
As at 01.04.2020	188	89	375	226	575	412	2,042	2,024	33,669	1,58,747	92	6,066			2,04,505	20,980
Additions	-	-	-	-	63	-	-	2	1,858	9,857	-	212			11,992	5,761
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-			-	(11,715)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	(74,447)	-	-			(86,107)	-
Adjustment of impairment	-	-	-	-	-	-	-	-	(11,660)	-	-	-			-	-
As at 31.03.2021	188	89	375	226	638	412	2,042	2,026	23,867	94,157	92	6,278			1,30,390	15,026
Additions	7,882	-	-	-	133	6	-	3	508	5,178	-	165			13,875	25,406
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-			-	(5,405)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	(11)	-	-			(11)	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-			-	-
As at 31.03.2022	8,070	89	375	226	771	418	2,042	2,029	24,375	99,324	92	6,443			1,44,254	35,027
Accumulated Depreciation/Amortisation																
As at 01.04.2020	-	30	356	213	384	390	993	1,917	11,660	73,775	2	316			90,036	-
Charge for the year	-	1	-	-	67	-	101	4	986	5,408	1	450			7,018	-
Adjustment of revaluation Gain/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	(11,660)	(73,775)	-	-			(85,435)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-			-	-
As at 31.03.2021	-	31	356	213	451	390	1,094	1,921	986	5,408	3	766			11,619	-
Charge for the year	-	1	-	-	67	1	101	3	1,035	5,961	2	460			7,631	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-			-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-			-	-
As at 31.03.2022	-	32	356	213	518	391	1,195	1,924	2,021	11,369	5	1,226			19,250	-
Net Block as at 31.03.2021	188	58	19	13	187	22	948	105	22,881	88,749	89	5,512			1,18,771	15,026
Net Block as at 31.03.2022	8,070	57	19	13	253	27	847	105	22,354	87,955	87	5,217			1,25,004	35,027

Notes :

- Addition to capital work in progress include ₹ 1075 Lakhs finance cost capitalised during the year. (Previous Year ₹ 1218 Lakhs).
- Cost of Leasehold land is amortised over the period i.e. 95 years.
- The Company has adopted the revaluation model as per IND AS- 16 for plant & machinery and building, as at 31st March, 2020, and accordingly the carrying cost and useful life of these assets have been revalued through an independent valuer. Due to revaluation, the Company has charged incremental depreciation for the year ended 31st March, 2022 amounting to ₹ 1770 Lakhs (Previous Year ₹ 1667 Lakhs).

Additional information**Assets under construction**

Capital work in progress incurred as at 31st March, 2022 amounted ₹ 35027 Lakhs (Previous Year ₹ 15026 lakhs) in view of implementation of new projects.

Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short-to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Base on the assessment as made by the management no impairment provision to be made in the current financial year.

- i. Refer Note No. 33 for disclosures of contractual commitments for the acquisition of property, plant and equipment
- ii. The Company has pledged certain assets against borrowings which have been disclosed in note No. 15

Capital Work in Progress: #*	(₹ in Lakh)
Opening as at 01.04.2020	20,980
Additions	
Expenditure made during the year	5,761
Capitalised during the year	(11,715)
Closing as at 31.03.2021	15,026
Expenditure made during the year	25,406
Capitalised during the year	(5,405)
Closing as at 31.03.2022	35,027
Carried forward as part of CWIP As at 01.04.2020	1,244
Additions	
Expenditure made during the year	
i. Interest and other processing fees	1,218
ii. Misc. Expenses	-
iii. Capitalised during the year	(426)
As at 31.03.2021	2,036
Expenditure made during the year	
i. Interest and other processing fees	1,075
ii. Misc. Expenses	5
Capitalised during the year	(365)
As at 31.03.2022	2,751

*Refer note No. 45 for information

Pre-operative expenditure included in CWIP expenses

CWIP Ageing Schedule - As on 31.03.2022

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of 31.03.2022				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	23,990	3,255	3,236	4,460	34,941
Projects temporarily suspended	-	-	-	86	86
Total	23,990	3,255	3,236	4,546	35,027

Note 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there are no cost over run.

2) The projects temporarily suspended are related to Bande Iron Ore, Kodolibad Iron Ore, Warpani Manganese mines developments.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2022

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2022)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Finishing Mill in Blooming Mill	26,432	-	-	-	26,432
Mines under development	-	-	-	86	86
Total	26,432	-	-	86	26,518

CWIP Ageing Schedule - As on 31.03.2021

(₹ in Lakh)

Project Name	Amount in CWIP for a Period of 31.03.2021				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	7,213	3,248	3,694	785	14,940
Projects temporarily suspended	-	-	2	84	86
Total	7,213	3,248	3,696	869	15,026

Note 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there are no cost over run.

2) The projects temporarily suspended are related to Bande Iron Ore, Kodolibad Iron Ore, Warpani Manganese mines developments.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2021

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2021)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Finishing Mill in Blooming Mill	-	10,741	-	-	10,741
Super Alloy Project	2,863	-	-	-	2,863
Wire Drawing Project	-	-	512	-	512
Temple under construction	139	-	-	-	139
Mines under development	-	-	-	86	86
Total	3,002	10,741	512	86	14,341

4. Non- Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment in equity shares (at cost, unquoted & fully paid)	2,101	2,101
Less : Provision for diminution in the value of investments	(712)	(712)
Total	1,389	1,389
Aggregate amount of unquoted investments	1,389	1,389

Details of Investments in equity shares
Investment in equity instruments (at cost, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Subsidiaries						
Sunflag Power Limited	49,940	49,940	99.88	99.88	5	5
Khappa Coal Company Private Limited	31,63,500	31,63,500	63.27	63.27	316	316
Sunflag Foundation	10,000	10,000	100.00	100.00	1	1
Diminution in the value of investments					(316)	(316)
Joint Ventures						
Madanpur (North) Coal Co. Private Limited	12,10,188	12,10,188	11.73	11.73	121	121
C T Mining Private Limited	31,80,000	31,80,000	31.80	31.80	318	318
Daido DMS India Private Limited	36,00,000	36,00,000	17.56	17.56	360	360
Ramesh Sunwire Private Limited	98,00,000	98,00,000	49.00	49.00	980	980
Diminution in the value of investments					(396)	(396)
Others						
India Bulls CSEB Bhayathan Power Limited	74	74	-	-	-	-
Total					1,389	1,389
Additional Information :						
Aggregate amount of quoted investments					-	-
Market value of quoted investments					-	-
Aggregate amount of unquoted investments					2,101	2,101
Aggregate amount of Diminution in value of investments					(712)	(712)
Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures and Associates.						

Note :-

Pursuant to the Supreme Court Order dated 24th September, 2014, the Coal Block allocated to the company with other Shareholders/ Joint Venture partners in the names of Khappa Coal Company Pvt. Ltd., Madanpur (North) Coal Co. Pvt Ltd, and CT Mining Pvt. Ltd., stands cancelled. Subsequent to the cancellation of previous allocation, the Government of India, Ministry of Law and Justice (Legislative Department) has promulgated the Coal Mines (Special Provisions) Act, 2015 for implementing the order of Supreme Court and fixation of compensation etc. to the prior allottees. But the process of reallocation and crystallization of compensation amount in respect of the above Company's mines, is pending, as the re-auctioning process of these mines are not yet completed.

5. Non- Current loans (unsecured)

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
Loans and advances to related parties considered good #	1,030	1,028
Loans and advances to related parties considered doubtful #	737	737
Less :- Provision for Advances to JVs & Subsidiaries	(737)	(737)
# (Refer Note No.40)	1,030	1,028
# These loans are non interest bearing.		

Loans granted to promoters, directors, KMPs and other related parties

Type of Borrowers As at	As at 31.03.2022	Percentage to the Total Loans and Advances in the nature of loans	As at 31.03.2021	Percentage to the Total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	1,767	100%	1,765	100%

Note:- There are no agreement entered into between the related party and the Company. However, the loans are repayable on demand. Consequently, no interest are charged by the company.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
6a. Other Financial Assets (unsecured)		
Security deposits	1,247	1,299
Security deposits Related Parties # (Refer Note No. 40)	28	28
Bank deposits with more than 12 months maturity	6,225	214
Interest Accrued on bank deposits	27	13
Earmarked escrow bank deposit for mine restoration obligation	108	116
Earmarked escrow current account for mine restoration obligation	31	0
	7,666	1,670
6b. Other non-current assets		
Capital advances	2,348	5,483
Non current Trade Advance # # (Refer Note No.38)	0	3,324
	2,348	8,807
7. Inventories (As taken, valued and certified by the management) (Refer note below)		
Raw materials and components on hand	28,228	26,458
Goods-in transit (raw material)	-	5
Work-in-progress	20,326	12,332
Finished goods	29,445	11,133
- Goods in Transit	1,560	648
Consumables, stores and spares	4,135	3,804
	83,694	54,380
Note : i. Valued at lower of cost and net realisable value, unless otherwise stated.		
ii. Inventories are hypothecated to banks against working capital loans (Refer Note No. 20)		
8. Trade receivables (Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	27,630	21,022
Unsecured, credit impaired	1,318	1,469
	28,948	22,491
Less: Provision for expected credit loss	(1,318)	(1,469)
Total	27,630	21,022

Trade receivables ageing schedule**Balance As On 31.03.2022**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables- Considered Good	23,994	3,439	72	21	10	94	27,630
(ii) Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	111	89	88	409	621	1,318
Total	23,994	3,550	161	109	419	715	28,948

Trade receivables ageing schedule Balance As On 31.03.2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables- Considered Good	16,240	4,491	96	69	32	94	21,022
(ii) Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	20	97	569	81	702	1,469
Total	16,240	4,511	193	638	113	796	22,491

Note : Trade receivables are hypothecated to banks against working capital loans refer note No. 20, further trade receivables are non interest bearing and receivable in normal operating cycle.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
9a. Cash and cash equivalents		
Cash on hand	21	16
Balances with banks in current accounts	1,447	527
Balance with banks in cash credit accounts	-	1,197
Total (a)	1,468	1,740
9b. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	5,136	5,160
Earmarked Balance for Unclaimed dividend #	33	34
Total (b)	5,169	5,194
Total (a+b)	6,637	6,934
# During the year Nil (Previous year Nil) amount has been transferred to investors Education Protection Fund		
10. Other - current financial assets		
Accruals - Interest accrued on deposits with banks	75	89
Loans & advances to employees	17	3
Export incentives receivable	23	-
Claims receivables	-	35
Total	115	127
11. Income tax assets (net)		
Advance Tax (Net of provision)	756	-
Total	756	-
12. Other current assets		
Advance to vendors	12,582	5,437
Prepaid Expenses	595	579
Balances with Statutory / Govt Authorities #	2,350	1,967
Total	15,527	7,983
# includes Mega Project incentives receivable and duty paid under protest of ₹ 177 Lakhs (Previous year ₹ 177 Lakhs)		

13. Equity Share capital
(₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	20,50,00,000	20,500	20,50,00,000	20,500
Total	20,50,00,000	20,500	20,50,00,000	20,500
Subscribed, issued & fully paid up				
Equity shares of ₹ 10/- each	18,02,19,448	18,022	18,02,19,448	18,022
Total	18,02,19,448	18,022	18,02,19,448	18,022

a) Terms/ Voting Rights attached to the Equity Shares

(₹ in Lakh)

- (i) The Company has one class of equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the Equity shares held by the Shareholders.

b) Reconciliation of the number of shares outstanding

Movement of Shares	As at 31.03.2022	As at 31.03.2021
Opening number of shares issued	18,02,19,448	18,02,19,448
Changes during the year	-	-
Closing number of shares issued	18,02,19,448	18,02,19,448

c) Details of share holders holding more than 5% shares in the company

Name of shareholder	As at 31.03.2022		As at 31.03.2021	
	Number of shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	6,52,53,582	36.21%	6,52,53,582	36.21%
Daido Steel Co. Ltd., Japan	1,80,21,945	10.00%	1,80,21,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33%	1,32,17,398	7.33%
Mr. Dharendra Bhupendra Sanghavi	1,27,86,431	7.09%	1,27,25,612	7.06%

d) Shares held by promoters at the end of the year as on 31.03.2022

Sr. No.	Shareholding of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Ltd (Channel Islands, UK)	6,52,53,582	36.21	Nil
2	Pranav Ravi Bhardwaj	16,12,140	0.89	Nil
3	Veena Bhardwaj	35,90,281	1.99	Nil
4	Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	Nil
5	Supra Corporation Limited	85,21,425	4.73	Nil

Shares held by promoters at the end of the year as on 31.03.2021

Sr. No.	Shareholding of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Ltd (Channel Islands, UK)	6,52,53,582	36.21	Nil
2	Pranav Ravi Bhardwaj	16,12,140	0.89	Nil
3	Veena Bhardwaj	35,90,281	1.99	Nil
4	Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	Nil
5	Supra Corporation Limited	85,21,425	4.73	Nil

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

- e) Aggregate number of bonus share or share for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date are "NIL".
- f) The Board of directors of the Company have not recommended dividend at its meeting held on 27th May, 2022

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
14. Other equity		
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	1,17,336	94,371
Other Comprehensive income/ (Loss)		
- Revaluation Surplus	33,729	35,054
- Remeasurements of the defined benefit plans	501	590
- Effective portion of cash flow Hedges	(5)	-
Total	1,55,602	1,34,056

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
15. Non current borrowings		
Secured		
a) Term loans - from banks	6,389	14,630
b) Term loans - from NBFCs	16,581	-
Less : Current maturities of long-term debt (refer note 20)		
- Term loans - from banks	(965)	(3,687)
- Term loans - from NBFC	(4,700)	-
Total (a)	17,305	10,943
Unsecured		
a) From promoters (interest free)	1,375	1,375
b) Others		
Interest free Sales Tax loan	675	1,275
Less : Current maturities of long-term debt (refer note 20)	(462)	(648)
Total (b)	1,588	2,002
Total (a+b)	18,893	12,945

- i. a) Term Loans from Banks/NBFCs are Secured by a first mortgage of the Company's Immovable properties situated at Village Warthi, District Bhandara, both present and future ranking pari passu interse and a first charge by way of hypothecation of all the company's movables subject to prior charges created in favour of Company's bankers on Inventories, book debts and other movables for securing the borrowings for working capital requirement.
- b) Term Loans Rs.5500 Lakhs (drawn 3000 Lakhs) sanctioned by Bajaj Finance Ltd. is secured by a first mortgage of the Company's Immovable properties situated at KG Marg, New Delhi.
- c) The funds availed from the Bank have been utilized only for the purpose(s) as stated in the Sanction Letter and are not used for any investments and other purposes.
- ii. a) Other Term loan availed during the year :-

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31-03-2022	Availed / Outstanding 31-03-2021
1	State Bank of India		15,000	3,036	8,049
2	Axis Bank	ROI for these loans ranges from 7.75% to 8.50%	10,000	2,167	3,784
3	Canara Bank		6,500	1,186	2,797
4	Axis Finance		7,500	7,250	-
5	Bajaj Finserve		7,000	9,331	-
6	Bajaj Finserve		5,500		
			51,500	22,970	14,630

Note - Outstanding balances are inclusive of current and non-current portion of term loans.

- iii. The Company has not defaulted in repayment of principal and interest during the year.
- iv. The Unsecured loans comprising term loans given by Promoters are interest free. There is no stipulation as to the repayment hence there is no default which has occurred in repayment during the year.
- v. The Unsecured loans comprising Interest free Sales Tax Loan are valued on NPV basis. Actual liability is ₹ 675 lakhs (previous year ₹ 1275 lakhs) The repayment of the sales tax loan is made as per the schedule and no default has occurred in repayment during the year.

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years	3 - 4 years	Beyond 4 years
Term loan from banks	965	965	965	1,261	2,233
Term loan from NBFCs	4,700	4,890	3,305	2,231	1,455
Unsecured Interest Free Sales Tax Loan #	462	200	51	-	-

Figure given are including unwinding of interest as per Ind AS.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
16. Other non - current financial liabilities		
a) Lease Liability		
Lease Liability Ind AS 116	5,874	5,975
Less : Lease Liability - Current Maturity	(293)	(254)
Net Lease Liability	5,581	5,721
b) Other financial liabilities		
Payables for capital goods including retention money	644	1,388
Security Deposits	235	137
Total (b)	879	1,525
Total (a+b)	6,460	7,246
17. Non - current provisions		
Provision for employee benefits	700	718
Provision for contingencies (refer below mention note)	2,704	3,191
Total	3,404	3,909

Movement in each class of provision as required by Ind AS - 37 during the financial year are provided below :

Particulars	Labour and other dues		Mine Restoration Obligation		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020 -2021
Opening	682	682	2,509	3,115	3,191	3,797
Provision (Reversal) during the year	-	-	(501)	(618)	(501)	(618)
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	14	12	14	12
Closing	682	682	2,022	2,509	2,704	3,191

18. Deferred tax liabilities

Particulars	As on 31.03.2022	Charge/Credit during the year	As on 31.03.2021	Charge/Credit during the previous year	As on 31.03.2020
a) Deferred Tax Liabilities on					
Tax on account of timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax Act, 1961	6,217	(325)	6,542	(354)	6,896
Revaluation Gain	11,345	(446)	11,791	(419)	12,210
	<u>17,562</u>	<u>(771)</u>	<u>18,333</u>	<u>(773)</u>	<u>19,106</u>
Deferred Tax Asset on					
Lease asset	(1,605)	(75)	(1,530)	(60)	(1,470)
Lease liability	1,539	35	1,504	(6)	1,510
Expenses Disallowed	981	(126)	1,107	285	822
	<u>915</u>	<u>(166)</u>	<u>1,081</u>	<u>219</u>	<u>862</u>
Net Deferred Tax Liability	<u>16,647</u>	<u>(605)</u>	<u>17,252</u>	<u>(992)</u>	<u>18,244</u>

b) Current Tax Expenses :

- a) Current Tax expense for the year
b) Deferred tax

Year ended 31.03.2022 (₹ in Lakh)	Year ended 31.03.2021 (₹ in Lakh)
7,394	4,772
(605)	(992)
<u>6,789</u>	<u>3,780</u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2022 and 31.03.2021.

Accounting profit before tax	28,429	15,860
Applicable tax rate	25.168%	25.168%
Computed tax	7,155	3,992
<u>Adjustments</u>		
Revaluation Gain	(446)	(419)
Permanent disallowance	131	78
Less : Others	(51)	129
Net Tax Expense for the Year	<u>6,789</u>	<u>3,780</u>

19. Other non - current liabilities

Government grant

As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
12	60
<u>12</u>	<u>60</u>

Total

20a) Current financial liabilities - Borrowings

Secured

Loans repayable on demand

Borrowings for working capital from banks

20,057 -

Current maturities of long-term debt :

Term loan from banks

5,665 3,687

Unsecured

Customer bills discounted

7,297 3,146

Current maturities of long-term debt :

Unsecured Interest free Sales Tax loan

462 648

Total

33,481 7,481

- i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking *pari passu* over the fixed assets situated at Village Warthi, District Bhandara both present and future, subject to prior charges created by the Company in favour of banks for securing term loan. Working capital borrowings are secured by the personal guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.
- ii. Interest on working capital loan from Banks are charged between 4.75% to 7.60% by respective bank.
- iii. Outstanding under Customer bills discounted are supported by Letter of credit issued by the respective customers. Further the bills are discounted after receipt of acceptance from applicant's Bank.
- iv. The outstanding balance as on 31st March, 2021 for working capital shown above is net of debit balance in cash credit accounts with banks.
- v. The quarterly returns or statements filed by the Company for working capital limits with such banks and financial institutions are generally in agreement with the books of account of the Company, however whenever the differences were noted between the amount as per books of accounts for respective quarters and amount as reported in the quarterly statements are given below. Reasons for the deviations are on accounts of statements submitted with banks on provisional basis. However, limit utilized was much lower than the limit sanctioned, hence the differences are not material.

Current Reporting Period

(₹ in Lakh)

Particulars	Period	Amount as pre Financials	Amount as pre statement filed with Bankers	Differences	DP Utilized
Eligible Trade	30.06.2021	74,822	76,365	(1,543)	12,224
Receivables/Inventory	30.09.2021	73,991	69,424	4,567	21,740
Other Assets net of trade	31.12.2021	80,930	75,109	5,821	13,998
Payables	31.03.2022	84,611	84,432	179	20,057

Pervious Reporting Period

(₹ in Lakh)

Particulars	Period	Amount as pre Financials	Amount as pre statement filed with Bankers	Differences	DP Utilized
Eligible Trade	30.06.2020	64,036	63,896	139	4,582
Receivables/Inventory	30.09.2020	60,463	60,258	205	9,719
Other Assets net of trade	31.12.2020	63,405	63,811	(406)	5,986
Payables	31.03.2021	65,838	62,693	3,145	0 #

Debit balance with the banks as on 31.03.2021

- vi. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
20b) Lease Liability - Current Maturity		
Lease Liability - Current Maturity	293	254
	<u>293</u>	<u>254</u>
21. Current financial liabilities - Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	1,059	810
b) Others		
i) Acceptances	12,943	1,852
ii) Other than acceptances	31,317	23,903
	<u>44,260</u>	<u>25,755</u>
Total (a+b)	<u>45,319</u>	<u>26,565</u>

Trade Payables ageing schedule**As on 31-03-2022****(₹ in Lakh)**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	528	172	7	7	32	746
(ii) Others	38,153	2,056	218	385	848	41,660
(iii) Disputed dues - MSME	-	-	-	313	-	313
(iv) Disputed dues - Others	-	-	-	-	2,600	2,600
Total	38,681	2,228	225	705	3,480	45,319

#Outstanding more than 1 year are mainly on account of retention money kept with the company to ensure compliances of statutory dues payable by contractors.

Trade Payables ageing schedule**As on 31-03-2021****(₹ in Lakh)**

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	398	65	16	6	13	498
(ii) Others	19,550	2,035	505	509	555	23,154
(iii) Disputed dues - MSME	-	-	313	-	-	313
(iv) Disputed dues - Others	-	-	-	-	2,600	2,600
Total	19,948	2,100	834	515	3,168	26,565

#Outstanding more than 1 year are mainly on account of retention money kept with the company to ensure compliances of statutory dues payable by contractors.

There are certain amounts outstanding beyond the agreed period to Micro and Small enterprises as required by MSMED Act, 2006 as on the Balance Sheet date due to the dispute with these enterprises, to the extent such enterprises have identified based on information available with the Company. However, since the amount is disputed, the management is of the view that no interest liability will arise on the Company.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1,059	810
ii. The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of 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 Medium Enterprise Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-
	<u>1,059</u>	<u>810</u>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro, Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006.

22. Other current financial liabilities

Interest accrued but not due on long term borrowings	86	79
Unclaimed dividends #	33	34
Discounts	636	629
Managerial commission	684	440
Salary & Reimbursements	349	1,871
Advances received from Customers	2,395	2,106
Capital Creditors	1,494	243
Others	2,318	2,950
Total	<u>7,995</u>	<u>8,352</u>

There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

23. Other Current Liabilities

a) Government grant	48	113
b) Statutory dues payable	632	264
c) Others	15	23
	<u>695</u>	<u>400</u>

24. Current Tax Liabilities (net)

Income tax liabilities (net)	-	595
	<u>-</u>	<u>595</u>

	For the Year ended 31.03.2022 (₹ in Lakh)	31.03.2021 (₹ in Lakh)
25 a) Revenue From Operations		
Sale of manufactured goods	2,71,223	1,92,152
Less : Discounts	(1,965)	(3,094)
Total (a)	<u>2,69,258</u>	<u>1,89,058</u>
Other operating income		
Conversion charges received	4	69
Duty drawback & export incentives	63	28
Expenses Written Back	501	-
Total (b)	<u>568</u>	<u>97</u>
Total (a+b)	<u>2,69,826</u>	<u>1,89,155</u>

	For the year ended 31.03.2022	For the year ended 31.03.2021
25. b) Other Income		
Interest Income	307	591
Insurance claims	4	295
Amortization of Government grant	113	159
Others income	27	47
Total Other Income	451	1,092
26. a) Cost of raw material & components consumed		
Inventory at the beginning of the year	30,267	20,952
Add: Purchases during the year	1,93,446	1,19,076
Less: Inventory at the end of the Year	(32,361)	(30,267)
Total raw material & components consumption	1,91,352	1,09,761
Details of raw material & components consumed		
Iron ore & iron ore fines	40,469	21,211
Coal & coal fines #	5,844	2,335
Coking coal	33,973	6,596
Coke	24,033	36,913
Sponge iron	-	-
Scrap & HBI	6,992	4,141
Ferro alloys	34,322	16,205
Fluxes, minerals & additives	12,814	6,916
Electrodes	2,587	1,364
Others	30,319	14,080
Total	1,91,352	1,09,761
# Net of Consumption of Coal from Captive Mines		
26. b) Other Manufacturing Expenses		
Consumption of fuel	7,672	3,079
Consumption of power(Net of captive consumption)	16,692	10,205
Coal mine FPO, Royalty, Coal Raising, freight and other expenses	7,096	3,442
Contract expenses	11,423	6,608
Total Other Manufacturing Expenses (b)	42,883	23,334
Total Expenses (a+b)	2,34,235	1,33,095
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	1,761	7,945
Coal & Coal Fines	5,791	1,971
Cokeing Coal	8,442	5,268
Coke	3,301	4,496
Scrap & HBI	793	1,421
Ferro Alloys	3,732	2,856
Fluxes, Minerals & Additives	1,099	682
Electrodes	1,933	509
Goods in Transit	-	5
Others	5,509	5,114
Total	32,361	30,267
27. Changes in inventories of finished goods and work-in-progress		
<u>Inventories at the end of the year</u>		
Finished goods	31,005	11,781
Work-in-progress	20,326	12,332
Total (a)	51,331	24,113
<u>Inventories at the beginning of the year</u>		
Finished goods	11,781	17,639
Work-in-progress	12,332	17,685
Total (b)	24,113	35,324
Net (increase) / decrease	Total (b-a)	(27,218)
		11,211

		For the year ended 31.03.2022	For the year ended 31.03.2021
28. Employee Benefit Expenses			
Salaries, Wages and Bonus		8,424	7,814
Contribution to provident and other funds		938	686
Staff welfare expenses		513	678
Remeasurements of the defined benefit plans (Gratuity)		(89)	68
Total		9,786	9,246
29. Finance Cost			
Interest on term loans		1,703	1,429
Interest Capitalised		(1,075)	(1,218)
Interest on term loans net		628	211
Interest on working capital loans		1,932	1,029
Interest on bills discounted		128	162
Other borrowing costs		870	816
Unwinding of Interest		13	13
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		61	111
Interest on lease liability (IND AS 116) {Refer note No.36}		593	606
Total		4,225	2,948
30. Depreciation and amortization expense			
Depreciation and amortization of property plant & equipment		7,169	6,567
Amortization of right of use assets #		462	451
# (Refer note No. 36)	Total	7,631	7,018
31.			
31.1 Other Expenses			
Freight & forwarding (net of recoveries)		9,093	6,498
Travelling expenses		216	133
Insurance charges		430	556
Rent, rates and taxes		227	93
Repairs & maintainance		168	122
Printing & stationary		22	20
Directors' sitting fee		9	6
Postage & telephones		74	66
Corporate social responsibility (Refer note No.44)		293	310
Admin Expenses		682	661
Legal & professional expenses (Refer note No.31.2 below)		983	827
Exchange fluctuation Loss (net)		577	137
Commission		177	276
Provision for doubtful debts		(152)	408
Provision for Investment diminution /advance to subsidiaries (net)		-	670
Others		390	86
Total		13,189	10,869
31.2 Payments to Auditors			
Statutory Audit fees		17	15
Limited Review fees		5	5
Total		22	20
32. Earnings Per Share			
Basic Earnings per Share			
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakhs	21,640	13,352
Weighted Average shares outstanding at the end of year	Number	18,02,19,448	18,02,19,448
Number of Shares outstanding at the end of year	Number	18,02,19,448	18,02,19,448
Basic and diluted Earnings Rs. per equity share	Rupees	12.01	7.41

Since there is no fresh issue or Bonus issue and also the absence of any other type of share capital Outstanding at the end of the year the Diluted EPS and Basic EPS are same.

33. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31.03.2022	As at 31.03.2021
i. Contingent liabilities		
(a) Unexpired letter of credit	19,947	13,536
(b) Guarantees issued by Company's bankers on behalf of the Company	5,810	2,896
(c) Excise duty & custom duty against which company has preferred an appeal	1,030	1,021
(d) Income Tax Liability	132	132
(e) Other Legal cases filed against the company	32	16
ii. Commitments.		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	26,138	24,558

Note - Interest liabilities may arise on above contingent liabilities

34. Disclosure under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Details of loans and advances in nature of loans to subsidiaries, parties in which Directors are interested and investments by the loanee in the shares of the Company as required by clause 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 :

Name of the party	Relationship	Amount outstanding as at		Maximum balance outstanding during for the year	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
Khappa Coal Company Private Limited	Subsidiary	737	737	737	737
Sunflag Power Limited	Subsidiary	1,030	1,028	1,030	1,028

Note : Refer Note No. 40(v) for other details.

35. Segment information

The Company has only one operating segment i.e. 'Iron & Steel Business' and operations are mainly within India. Hence, it is the only reportable segment under INDAS-108 'Operating Segments'.

Entity wide disclosure required by INDAS-108 are made as follows:

	Year ended 31 st March 2022		Year ended 31 st March 2021	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers #	2,65,281	4,545	1,87,105	2,050
Non - Current Assets :				
Property, Plant and Equipment	1,19,700	-	1,13,170	-
Right of Use Assets	5,304	-	5,601	-
Capital work in progress	35,027	-	15,026	-
Other non current assets	12,433	-	12,894	-

Note : There are no non-current assets located outside India

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended 31st March, 2022 and 31st March, 2021.

36. Leases (Ind AS 116 Disclosure)

Set out below are the carrying amounts of lease liabilities and the movements during the year :

	As at 31.03.2022	As at 31.03.2021
Opening Balance	5,975	6,000
Acquisition	165	212
Deletions	-	-
Accretion of interest	593	606
Payments	859	843
Closing balance	5,874	5,975
Non-current	5,581	5,721
Current	293	254

The effective interest rate of lease liabilities is 9.85%, with maturity between 2021-2083

	For the year ended 31.03.2022 (₹ in Lakh)	For the year ended 31.03.2021 (₹ in Lakh)
The following are the amounts recognised in statement of profit & loss :		
Amortisation expense of right of use assets	462	451
Interest expense on lease liabilities	593	606
Expense relating to leases of short-term / low value assets (included in other expenses)	-	-
Total amount recognised in statement of profit & loss	1,055	1,057
Amounts recognised in statement of cash flows :		
Financing activities :		
Repayment of principal	266	237
Repayment of interest	593	606
Operating activities :		
Short term / low value assets lease payment	-	-
Total cash outflow for leases	859	843

Minimum lease amount are not separately disclosed as the same is not material.

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Long term borrowing	18,893	12,945
Short term borrowing	27,354	3,146
Current maturities of long-term debt	6,127	4,335
Less : Cash and bank balance	(6,637)	(6,934)
Net debt	45,737	13,492
Equity	1,73,624	1,52,078
Capital and net debt	2,19,361	1,65,570
Gearing ratio	20.85%	8.15%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March,, 2021.

38. The Company received an Arbitration award dated 22nd April 2022 towards settlement of its claims on Lloyds Metals and Energy Limited (LMEL). The order imposed financial liability on LMEL to the tune of ₹ 90000 Lakhs. An online intimation of the said Order under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with the BSE and NSE by the Company on 23rd April 2022. Since the implementation of the Arbitration Award has not taken its finality as on the date of approval of the financials, the company has not recognised the impact of the same in the financial statements. Advances given earlier has now been reclassified as current advances as the same will get adjusted/recovered in the current period.

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ 18 Lakh. (Previous Year Deficit ₹ 21 Lakh). Further the following table sets out for the Employee Benefits plan as required under Ind AS 19

(₹ in Lakh)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,608	2,574	7,963	7,539	2,401	2,587
Interest cost	171	181	661	622	166	129
Current Service Cost	153	141	877	825	207	191
Benefits Paid	(431)	(289)	(1,333)	(1,023)	(406)	(506)
Actuarial loss on obligations	(89)	68	-	-	-	-
Present value of obligations as at the end of the year	2,412	2,675	8,168	7,962	2,368	2,400
Table showing changes in the fair value of Plan Assets :						
Fair value of plan assets at the beginning of year	2,608	2,574	7,963	7,539	2,401	2,587
Expected return on plan assets	171	182	552	603	166	129
Contributions	153	141	877	825	207	191
Benefits paid	431	289	(1,333)	(1,023)	(406)	(506)
Actuarial Gain / (Loss) on plan assets	(862)	(577)	-	-	-	-
Fair value of plan assets at the end of the year	2,501	2,608	8,059	7,944	2,368	2,400
Funded Status	(89)	68	(109)	(18)	-	-
Excess of Actual over estimated return on plan assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Loss for the year – Obligation	(89)	68	-	-	-	-
Actuarial Gain / (Loss) for the year – plan assets	(89)	68	(109)	(18)	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) Recognised in the year	(89)	68	(109)	-	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,412	2,675	8,167	7,963	2,366	2,400
Fair value of Plan assets as at the end of the year	2,501	2,608	8,059	7,944	2,366	2,400
Funded Status	(89)	68	(109)	19	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	(89)	68	(109)	(19)	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	153	141	661	622	-	-
Interest Cost	-	-	-	-	-	-
Expected return on plan assets	-	-	552	603	-	-
Net Actuarial (Gain)/Loss recognised in the statement of profit & Loss	(89)	68	-	-	-	-
Expenses Recognised in statement of Profit & Loss	153	141	(109)	(19)	-	-
Actuarial Assumptions :						
Discount rate	7.80%	7.80%	8.50%	8.55%	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	21%	22%	-	-
State Government securities	-	-	38%	40%	-	-
Approved marketable Securities	-	-	0%	0%	-	-
Bonds / debentures etc	-	-	36%	34%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Liquid fund / Money Market Instrument	-	-	6%	4%	-	-
Total			100%	100%		

- a) The investment details of Gratuity funds are as per the Scheme of Life Insurance Corporation of India (LIC).
- b) The investment details of Superannuation funds are as per the Scheme of Life Insurance Corporation of India (LIC) under two plans. Even though these plans are still continuing, Company has stopped making contribution towards One plan i.e. Superannuation Scheme of Workers w.e.f 01.04.1995 on payment of bonus in the year 1995 as per the terms and conditions of Rules framed at the time of subscribing to the designated policy of LIC. Company was liable as per terms and conditions of the Trust deed to pay contributions only till applicability of provisions of Payment of Bonus Act.

40. Related Party Disclosure (as identified by the Management)

In accordance with the requirements of IND AS-24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting periods.

Related Party Name and Relationship
i) Key Management Personnel

(₹ in Lakh)

Name	Designation	Account	Transactions year ended		Outstanding As at	
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
Mr Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	145	84	37	35
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	739	500	2	17
Mr Surendra Kumar Gupta	Deputy Managing Director	Remuneration	141	100	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	112	80	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	104	69	-	-
Mr. S Mahadevan	Chief Financial Officer	Remuneration	60	43	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	40	26	-	-
Dr E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4.84	4.13	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4.70	4.06	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	3.99	3.42	-	-
Mr. Anand Kapre	Non Executive, Independent Director	Commission & Sitting Fees	3.65	3.00	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	3.65	3.00	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	3.72	3.22	-	-

Note :- Directors remuneration includes post employment benefits, PF and other contributions.

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2022	Account	Transactions year ended		Outstanding As at	
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
Sunflag Power Ltd.,	100%	Un-secured Loan	2	5	1,030	1,028
Sunflag Power Ltd.,			-	-	5	5
Khappa Coal Private Co. Ltd.,	63.27%	Advance Paid	-	-	737	737
Khappa Coal Private Co. Ltd.,			-	-	316	316
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	293	310	-	-

a) Refer note No. 40(v) for loans, advances and investment in subsidiaries. b) Interest on advances to Subsidiaries charged @ 9% p.a. However, as these Companies are not commercially operational the same has been waived off since the chances of recovery is remote.

iii) Joint Ventures

Daido DMS India Pvt. Ltd.	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire (P) Ltd	49.00%	Share Capital	-	490	980	980
Ramesh Sunwire (P) Ltd		Sale of Goods	2,530	1,763	326	491
Ramesh Sunwire (P) Ltd		Purchase of goods	(24)	-	-	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Co. Pvt. Ltd.	11.73%	Share Capital	-	-	110	110

Note : Sales/Purchase figures given are inclusive of taxes.

iv) Entries over which KMPs have significant influence

Haryana Televisions Limited.	Relationship through KMP	Rent	66	47	-	-
Haryana Televisions Limited.	Relationship through KMP	Security deposit	-	-	28	28

Note : Rent figures given are inclusive of taxes.

v) Disclosure required by Companies Act, 2013
a) Particulars of loans given (under section 186(4) of the Companies Act, 2013 :

Name of the loanee	Opening Balance	Loans given	Loans repaid	Closing Balance	Provision made during the year	Purpose
1. Sunflag Power Limited	1,028	2	-	1,030	-	Operational
2. Khappa Coal Company Private Limited	737	-	-	737	737	Operational

b) Particulars of guarantee given : The Company has not given any guarantee to its subsidiaries / joint venture Companies
c) Particulars of investment made :

Name of the Company	Opening Balance	Investment made	Investment Sold	Closing Balance	Provided	Purpose
Subsidiaries-						
1. Sunflag Power Ltd	5	-	-	5	-	Long term Inv.
2. Khappa Coal Private Co. Ltd.	316	-	-	316	(316)	Long term Inv.
3. Sunflag Foundation	1	-	-	1	-	CSR
Joint Ventures -						
Madanpur (North) Coal Company Private Limited	121	-	-	121	(121)	Long Term Inv.
CT Mining Private Limited	318	-	-	318	(125)	Long Term Inv.
Daido DMS India Private Limited	360	-	-	360	(150)	Long Term Inv.
Ramesh Sunwire Private Limited	980	-	-	980	-	Long Term Inv.
Total	2,101	-	-	2,101	(712)	

d) Particulars of security deposit : Nil
41. Interest in Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Companies and country of incorporation	% of shareholding	Amount of Interest based on accounts for the year ended 31.03.2022					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido DMS India Pvt. Ltd / India	17.56	372	372	309	309	-	-
	(17.56)	(344)	(344)	(185)	(198)	-	-
Madanpur (North) Coal Co.Pvt Ltd / India #	11.73	110	110	3	14	389	-
	(11.73)	(110)	(110)	(3)	(14)	(389)	-
Ramesh Sunwire Private Limited	49.00	1,958	1,958	1,554	1,492	-	-
	(49.00)	(2,031)	(2,031)	(1,245)	(1,202)	-	-
C T Mining Private Limited / India	31.80	323	323	7	3	-	-
	(31.80)	(319)	(319)	(8)	(3)	-	-

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Co Ltd (MNCPL) are not available till the date of signing of these financials. Hence the figures relating to MNCPL are not changed., In case of Daido DMS India Pvt. Ltd signed financials are not available, hence management certified financials accepted.

42. Fair value hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

Financial Assets :
(₹ in Lakh)

Particulars	Fair value hierarchy	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level 3	1,389	1,389	1,389	1,389
Financial assets designated at fair value through other comprehensive income					
Financial assets designated at amortised cost					
Non current financial asset - loans	Level 3	1,030	1,030	1,028	1,028
Current financial asset - trade receivables	Level 3	27,630	27,630	21,022	21,022
Current financial asset - Cash and cash equivalents	Level 2	1,468	1,468	1,740	1,740
Financial Asset - Bank balances other than above	Level 2	5,169	5,169	5,194	5,194
Total		36,686	36,686	30,373	30,373

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities : borrowings	Level-2	17,305	17,305	10,943	10,943
Non current financial liabilities : Other	Level-3	2,467	2,467	3,527	3,527
Current financial liabilities - Borrowings	Level-2	27,354	27,354	3,146	3,146
Current financial liabilities - Other	Level-3	14,122	14,122	12,687	12,687

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

The fair values of derivatives are on MTM as per Bank

Company has opted to fair value its Long term and Current investments through profit & loss

Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

43. Financial Risk Management
Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, Investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2022 and 31st March, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total loan portfolio. The company's borrowings have been contracted at floating rates of interest. Accordingly, carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Increase / (decrease) in interest rate		Effect on profit before tax	
As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
0.50%	0.50%	165.10	34.17
- 0.50%	- 0.50%	(165.10)	(34.17)

(₹ in Lakh)

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 and financing activities.

Currency	As at 31.03.2022		As at 31.03.2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	1	(1)	2	(2)
CNY	75	(75)	-	-
GBP	-	-	-	-
SEK	-	-	-	-
USD	134	(134)	61	(61)

ii) Credit risk

Credit risk is the risk that a counter party 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 and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major clients. An impairment analysis is performed at each quarter end on an individual basis for major customers.

(₹ in Lakh)

Ageing	Total		Up to 6 month		More than 6 month	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Trade receivables	28,948	22,491	27,544	20,751	1,404	1,740
Less : ECL Provision	(1,318)	(1,469)	-	-	(1,318)	(1,469)

Movement of Expected Credit loss

(₹ in Lakh)

	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2022	1469	-	(151.00)	1318
2021	1061	408	-	1469

iii) Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments.

Non current /current financial liabilities	Total		Less than 1 year		1 year - 2 year		2 year and above	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Non current financial liabilities								
i) Borrowings*	25,020	17,280	6,127	4,335	1,165	5,712	17,728	7,233
ii) Others	6,460	7,246	-	-	1,216	1,820	5,244	5,426
Current financial liabilities								
i) Borrowings*	27,354	3,146	27,354	3,146	-	-	-	-
ii) Others	7,995	8,352	7,995	8,352	-	-	-	-

*including current maturity of long term debt

44. The Company has spent amount on CSR expenses as below:

(₹ in Lakh)

i)	Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
	Gross amount required to be spent during the year	293	310
	Amount spent during the year		
	- Construction / acquisition of any assets	-	-
	- On purpose other than above	293	310

ii) Provision made for Corporate Social Responsibility

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Opening balance of Provision -		
Addition during the Year	293	310
Funds transferred to Sunflag Foundation for CSR activities	293	310
Closing balance of provision		

iii) CSR expenses incurred by the implementing agency and the Company

Description	Relevant Clause of SCH VII of Companies Act, 2013	For the year ended 31.3.2022	For the year ended 31.3.2021
a) Expenditure done through Sunflag Foundation			
Rural Development	Clause No. X	24	6
Health Care	Clause No. I	137*	94
Education training & skill development	Clause No. I & X	8	15
Environment sustainability & protection of			
Flora and Fauna	Clause No. IV	17	1
District Sport & cultural activities	Clause No. VII	56	1
Sub Total		242	117
b) Expenditure done directly by the company			
Rural Development	Clause No. X	-	148
Total Expenditure incurred		242	265

Note a) The unspent amounts are allocated to various on going capital expenditure approved by the CSR Committee of the company. All such unspent amount has been transferred to specific bank accounts.

*b) This includes projected spent of FY 2020-21 of ₹ 45 Lakh.

iii) Corporate Social Responsibility (CSR)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
i) Amount required to be spent by the company during the year a	293	310
ii) Amount of expenditure incurred for the current year b	197	265
iii) Projected spent of FY 2020-21, spent during the year	45	-
iv) Shortfall for the current year (a-b)	96	44
v) Funds Kept in Special Allocated Bank Accounts	504	420
vi) Total of previous years shortfall	Nil	Nil
vii) Reason for shortfall	Nil	Nil
viii) Nature of CSR activities	Refer to iii	Refer to iii
ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	293	310
x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

iv) Utilization of unspent CSR funds by Sunflag Foundation

Financial year*	Amount unspent on corporate social responsibility activities for ongoing projects	Balance amount to be kept in special bank accounts as per Section 135(6)	Amount transferred to Special Account within 30 days from the end of the financial year	Amount transferred after due date
2017-18	67	67	-	-
2018-19	158	158	-	-
2019-20	156	156	-	-
2020-21	-	-	404*	-
2021-22	96	96	100	-
Total	477	477	504	-

*Section 135(6) of companies act, 2013 which became effective from 22.01.2021, which mandates unutilized CSR funds to be kept in special bank accounts, accordingly Sunflag Foundation transferred unspent CSR funds to special accounts FY-2020-21 onwards.

45. During the year, Company has incurred expenditure related to construction of property, plant and equipment and therefore accounted for the same under Capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below:

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Brought forward from last year	15,026	20,980
Expenditure incurred during the year :		
Bulding and civil constructions	1,343	198
Machinery and equipments	22,983	4,345
Interest and financial charges	1,075	1,218
Miscellaneous expenses	5	-
Total expenditure during the year	25,406	5,761
Less : Miscellaneous Income	-	-
Less : Capitalised during the year	5,405	11,715
Carried forward as part of Capital work-in-progress	35,027	15,026

46. Subsequent events

No adjusting or significant non- adjusting events have occurred between the reporting date and date of authorization of these financial statements, except the event referred to in note No.38

47. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

48. Other Statutory information

- i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company does not have any transactions with companies struck off.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act, 1961)
- vi) The Company has not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- vii) All immovable properties are held in the name of the Company.
- viii) Ratio Analysis

Sr. No.	Ratio	UOM	2022	2021
1	Net Profit Margin	Percentage	8%	7%
2	Debt Service Coverage Ratio	Times	2.80	4.54
3	Trade Receivable Turnover Ratio	Times	10.49	8.28
4	Inventory Turnover Ratio	Times	3.91	3.42
5	Trade payable Turnover Ratio	Times	5.38	2.82
6	Debt- Equity Ratio	Times	0.30	0.13
7	Current Ratio	Times	1.53	2.07
8	Return on Equity Ratio	Times	0.12	0.09
9	Return on Capital Employed	Times	0.16	0.11
10	Return on Investment	Times	0.07	0.06
11	Net Capital Turnover Ratio	Times	1.66	1.30

49. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date as attached

For NSBP & CO.
Chartered Accountants
FRN : 001075N

DEEPAK K AGGARWAL
Partner
M. No. 095541

New Delhi
27th May, 2022

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR

CA R. MURALIDHAR
DIRECTOR (FINANCE)

Nagpur
27th May, 2022

K. J. SINGH
DIRECTOR

VINITA BAHRI
DIRECTOR

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

ASHUTOSH MISHRA
COMPANY SECRETARY

Form No. AOC – 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules 2014]

Statement containing salient features of the financial statement of Subsidiaries / Associates Companies / Joint Ventures

(₹ in Lakh)

Part "A" : Subsidiaries			
Particulars	Sunflag Power Limited	Khappa Coal Company Private Limited	Sunflag Foundation
Latest audited Balance Sheet date	31.03.2022	31.03.2022	31.03.2022
% of Shareholding of Sunflag Iron and Steel Company Limited	100%	63.27%	100%
Paid-up Share Capital	5.00	500.00	1.00
Interest free Unsecured Loan	1,030.00	1,165.00	-
Share Application Money	-	-	-
Reserves and Surplus	-	(81.77)	-
Other Liabilities	-	3.12	515.00
Total Assets	1,035.00	1,586.00	516.00
Total Liabilities	1,035.00	1,586.00	516.00
Investments	-	-	-
Turnover	-	-	-
Profit/(Loss) before Taxation	-	4.12	-
Profit/(Loss) after Taxation	-	4.12	-
Proposed Dividend	-	-	-

Note : Except Sunflag foundation, other Subsidiary Companies mentioned above, have yet to commence their activities or business operations.

Part "B" : Associates & Joint Ventures**Statement Pursuant to sub-section (3) of Section 129 of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Lakh)

S. No.	Particulars	Madanpur (North) Coal Company Private Limited	CT Mining Private Limited	Daido DMS India Private Limited	Ramesh Sunwire Private Limited
1	Latest audited Balance Sheet date	# 31.03.2019	31.03.2022	31.03.2022	31.03.2022
2	Shares of Associate / Joint Ventures held by the Company on the year end No.	12,10,188	31,80,000	36,00,000	98,00,000
	Amount of investment in Associate / Joint Ventures	121.00	318.00	360.00	980.00
	Extent of holding %	11.73%	31.80%	17.56%	49.00%
3	Description of how there is significant influence	Part of decision making	Shareholding exceeding 20%	Part of decision making	Part of decision making
4	Reason why the Associate / Joint Ventures not consolidated	-*	NA	NA	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	109.61	314.41	170.31	1019.88
6	Profit / (Loss) for the year	(11.40)	3.38	3.21	52.06
	Considered in consolidation	No	Yes	Yes	Yes
	Not Considered in consolidation	Yes	-	-	-

*# Financials of Madanpur (North) Coal Company Private Limited are not available till the date of signing and therefore not considered for consolidation.

As per our report of even date as attached

For NSBP & CO.
Chartered Accountants
FRN : 001075N

DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

K. J. SINGH
DIRECTOR
VINITA BAHRI
DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

To
The Members
Sunflag Iron and Steel Company Limited
Report on the Audit of the consolidated Financial Statements
Opinion

We have audited the accompanying consolidated financial statements of **SUNFLAG IRON AND STEEL COMPANY LIMITED** (hereinafter referred to as the 'Holding Company'), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, as listed in Annexure-1, which comprise the consolidated balance sheet as at 31st March, 2022 and the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statement of the subsidiaries and joint ventures referred to in the other matters section below, the aforesaid consolidated 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 relevant Rules made thereunder, 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture companies as at 31st March, 2022 and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash outflows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture companies 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 consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and in the judgment of the component auditors were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters identified by us and the component auditors (as stated in their respective audit report) are presented below.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

All Key Audit Matter related to holding company describe below:

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	Recognition of Revenue, measurement, presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Sub-note No XVII of Note 2 of Accounting Policy). The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining sales revenues and accordingly, it was determined to be a key audit matter in our audit of the standalone financial statements.	<ul style="list-style-type: none"> We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers" On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; We performed revenue cut-off testing, by reference to bill dates of sales recorded either side of the financial year end had legally completed; and Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts.
2.	The Company is subject to claims and litigations. Major risks identified by the Company in that area relate to claims against the company and taxation matters. The amounts of claims and litigations may be significant and estimates of the amounts of provisions or contingent liabilities are subject to significant management judgment. Due to complexity involved in these litigation matters, management's judgment regarding recognition and measurement of provisions for these legal proceedings is inherently uncertain and might change over time as the outcomes of the legal cases are determined and it has been considered as a key audit matter.	<ul style="list-style-type: none"> Assessing the procedures implemented by the company to identify and gather the risks it is exposed to. Discussion with the management on the development in theses litigations during the year ended 31st March, 2022. Obtaining an understanding of the risk analysis performed by the company, with the relating supporting documentation and studying written statements from internal / external legal experts, when applicable. Verification that the accounting and / or disclosures as the case may be in the standalone financial statements is in accordance with the assessment of legal counsel/management. Obtaining representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the annual report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint venture companies in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended thereof.

The respective Boards of Directors of the companies included in the Group and its joint venture companies are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture companies 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and its joint ventures are also responsible for the overseeing their financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 SAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 holding company, subsidiaries and its joint venture companies which are incorporated in India, 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 the 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 ability of the Group and its joint ventures 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 consolidated financial statements 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 Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/ information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider

quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 consolidated 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.

We also performed procedures in accordance with the Circular issued by the Securities Exchange Board of India under Regulation 33(8) under (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

- a) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 2622 lakhs, total revenue of Rs. 5 lakhs, total net profit after tax of Rs. 4 lakhs, total comprehensive income of Rs. 4 lakhs and net cash inflow of Rs. 4 lakhs for the year ended on 31st March, 2022, as considered in the Consolidated financial statements. These financial statements and other information have been audited by other auditors, whose reports have been furnished to us by the management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of the other auditors. All the figures stated above are before giving the effect of consolidation adjustments.
- b) We did not audit the financial statement of two (2) joint ventures the accompanying financial statements also includes Group's share of profit including other comprehensive income of Rs. 56 lakhs, for the year ended on 31st March, 2022. These financial statements and other information have been audited by other auditor, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of joint ventures, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid joint ventures is based solely on the report of the other auditor. All the figures stated above are before giving the effect of consolidation adjustments.
- c) The accompanying Statement also includes Group's share of net profit/(loss) after tax of Rs. 3 lakhs for year ended 31st March, 2022 respectively, in respect of one joint venture company, whose financial statement have been consider on the basis of the management certified financials The financial statement of one joint venture company was not available thus, the same has not been considered for consolidation purpose and also the investment is fully impaired in the financial statement. These joint venture entities are not considered material to the Group. All the figures stated above are before giving the effect of consolidation adjustments.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on management certified financials and the reports of the other auditors.

Report on other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, based on the consideration of the Order reports issued till date by us and by the respective other auditor as mentioned in Other matter paragraph. We report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended 31st March, 2022 and covered under that Act that are audited by respective statutory auditors for which the respective reports under Section 143(11) of the Act of such companies have not yet issued by the respective statutory auditors, as per information and explanations given to us by the management is this respect.

S.No	Name	CIN	Relationship
1	Daido D.M.S. India Private Limited	U28113HR2015FTC054839	Joint Venture

2. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the group so far as it appears from our examination of those books and the report of other auditors;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss including (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant Rules issued thereunder;
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and its subsidiaries and joint ventures incorporated in India and the reports of the statutory auditors of its subsidiaries and its joint ventures incorporated in India, none of the directors of the Group and joint ventures incorporated in India is disqualified as on March 31, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Holding Company, its subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company, its subsidiary companies and joint venture companies internal financial control over financial reporting of those company, for reasons stated therein; and

- g) In our opinion and to the best of our information and according to the explanations given to us and the report of the other auditor the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act, no remuneration paid by subsidiaries and joint venture companies to its directors, hence not reported; and
- h) 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 and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries and joint venture companies incorporated in India whose financial statements have been audited under the Act:
- The Group and its joint ventures has made the provision in the consolidated financial statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts and
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2022.
 - The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, other than as disclosed in the notes of consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - Based on such audit procedures performed by us and that performed by the auditor of the subsidiary as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - In our opinion, and according to the information and explanations given to, the holding company, subsidiaries and joint venture companies has not declared and paid dividend during the year, Hence, provisions of section 123 to the Act are not applicable to the holding company, subsidiaries and joint venture companies.

For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N

Deepak K. Aggarwal
Partner

Membership No: 095541
UDIN: - 22095541AKDYVW3043

New Delhi
27th May, 2022

Annexure I

List of entities included in the Statement:

- Subsidiaries** : 1. Sunflag Power Limited 2. Khappa Coal Company Private Limited
- Joint Ventures** : 1. CT Mining Private Limited 2. Daido DMS India Private Limited 3. Ramesh Sunwire Private Limited
4. Madanpur (North) Coal Company Private Limited

Annexure A to the Independent Auditor's Report to the Members of Sunflag Iron and Steel Company Limited ('the Holding Company') on its consolidated financial statements dated 27th May, 2022.

Report on the Internal Financial Controls Over Financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section.

In conjunction with our audit of the consolidated financial statement of **Sunflag Iron and Steel Company Limited** as of and for the year ended 31st March, 2022. We have audited the Internal Financial Controls over Financial Reporting of **Sunflag Iron and Steel Company Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures which are the Companies incorporated in India, for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiaries and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 (the "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 its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint ventures internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and 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, and both issued by the Institute of Chartered Accountants of India. 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group's and joint venture company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Group's and joint ventures internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A group's and joint ventures internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group and joint ventures;
- 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 group and joint ventures are being made only in accordance with authorizations of management and directors of the respective companies; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group's assets and joint ventures that could have a material effect on the consolidated 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 and to the best of our information and according to the explanations given to us, the group and its joint venture, which are incorporated in India have maintained, 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, 2022, based on the criteria for internal financial control over financial reporting established by the Holding company, its subsidiary companies and its joint ventures incorporated in India 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, two subsidiaries, two joint venture companies which are incorporated in India, is based on the corresponding reports of the auditors of such companies, wherever applicable.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one joint venture, as the financial statements of this joint venture was not available and also the investment is fully impaired in the financial statement. This joint venture is not material to the Group.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls over financial reporting does not cover in so far as it relates to one joint venture, as the auditors of this joint ventures has not issued their report.

Our audit report on the adequacy and operating effectiveness of the internal financial controls over financial reporting is not modified in respect of above matters.

**For NSBP & Co.
Chartered Accountants
Firm Registration No. 001075N**

**Deepak K. Aggarwal
Partner
Membership No: 095541
UDIN: - 22095541AKDYVW3043**

**New Delhi
27th May, 2022**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022**

Particulars	Note No.	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	1,19,879	1,13,349
b) Right of Use Assets	3	5,304	5,601
c) Capital work - in - progress	3	37,313	17,310
d) Financial assets			
i. Investments	4	1,659	1,600
ii. Non- Current Loans		-	-
iii. Other Financial Assets	5	7,666	1,670
e) Other non current asset	6	2,372	8,831
Total non-current assets		1,74,193	1,48,361
2. Current assets			
a) Inventories	7	83,694	54,380
b) Financial assets			
i. Trade receivables	8	27,630	21,022
ii. Cash and cash equivalents	9(a)	1,594	1,863
iii. Bank balances other than above	9(b)	5,169	5,194
iv. Others	10	115	127
c) Income tax assets (net)	11	754	-
d) Other current assets	12	15,527	7,983
Total current assets		1,34,483	90,569
TOTAL ASSETS		3,08,676	2,38,930
B. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	13	18,022	18,022
b) Other equity	14	1,56,873	1,35,263
c) Non Controlling Interest		154	152
Total shareholders' funds		1,75,049	1,53,437
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	19,321	13,373
ii. Lease liabilities	16(a)	5,581	5,721
iii. Other financial liabilities	16(b)	879	1,525
b) Provisions	17	3,404	3,910
c) Deferred tax liabilities (Net)	18	16,647	17,252
d) Other non-current liabilities	19	12	60
Total non-current liabilities		45,844	41,841
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20(a)	33,481	7,481
ii. Lease liabilities	20(b)	293	254
iii. Trade Payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		1,059	810
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		44,260	25,756
iv. Other financial liabilities	22	7,995	8,354
b) Other current liabilities	23	695	399
c) Current tax liabilities (net)	24	-	598
Total current liabilities		87,783	43,652
TOTAL EQUITY AND LIABILITIES		3,08,676	2,38,930

Significant accounting policies

1 & 2

The accompanying notes form an integral part of consolidated financial statements.

As per our report of even date as attached

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

PRANAV BHARDWAJ
MANAGING DIRECTOR

K. J. SINGH
DIRECTOR

DEEPAK K AGGARWAL
Partner

S. K. GUPTA
Dy. MANAGING DIRECTOR

VINITA BAHRI
DIRECTOR

M. No. 095541

CA R. MURALIDHAR
DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

New Delhi

Nagpur

ASHUTOSH MISHRA
COMPANY SECRETARY

27th May, 202227th May, 2022

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

Particulars	Note No.	Year Ended 31.03.2022 (₹ in Lakh)	Year Ended 31.03.2021 (₹ in Lakh)
Income			
1. Revenue from operations	25	2,69,826	1,89,155
2. Other income	26	456	1,098
Total Income		2,70,282	1,90,253
3. Expenses			
Cost of raw materials & components consumed	27(a)	1,91,352	1,09,761
Other manufacturing expenses	27(b)	42,883	23,333
Changes in inventories of finished goods and work-in-progress	28	(27,218)	11,211
Employee benefits expense	29	9,786	9,246
Finance costs	30	4,225	2,948
Depreciation and amortization expenses	31	7,631	7,020
Other expenses	32	13,189	10,199
Total expenses		2,41,848	1,73,718
4. Profit before tax		28,434	16,535
5. Share of Profit / (Loss) in Joint Ventures & Associates		58	35
6. Tax Expense :			
(a) Current tax	18	7,395	4,772
(b) Deferred tax	18	(605)	(992)
(c) Income tax pertaining to earlier years		-	(1,272)
7. Net Profit after tax		21,702	14,062
Owners Equity		21,700	14,061
Non-Controlling Interest		2	1
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Actual Gain on re-measurements of the defined benefit plans		(89)	68
- Provision for Foreign Currency hedging		(5)	-
Total comprehensive income for the year (Net of Tax)		21,608	14,130
9. Earnings per equity share (Amount in ₹)			
Basic	33	12.04	7.80
Diluted		12.04	7.80

Significant accounting policies

1 & 2

The accompanying notes form an integral part of consolidated financial statements.

As per our report of even date as attached

For NSBP & CO.
Chartered Accountants
FRN : 001075N
DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

K. J. SINGH
DIRECTOR
VINITA BAHRI
DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022**

Particulars	For the year ended 31.03.2022 (₹ in Lakh)		For the year ended 31.03.2021 (₹ in Lakh)	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		28,434		16,535
Items that will not be reclassified to profit or loss		-		-
Adjustments for :				
Depreciation and amortisation		7,631		7,020
Finance costs		4,225		2,948
Interest income		(311)		(597)
Actuarial Gain / (Loss)		(89)		68
Provision for reversal of foreign currency hedging		(5)		-
Provision for Investment diminution		-		-
Provision for earlier years no longer required		758		-
Provision for doubtful trade and other receivables, loans and advances		(152)		408
Operating profit / (loss) before working capital changes		40,491		26,382
<u>Changes in working capital :</u>				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(29,313)		1,897	
Trade receivables	(6,457)		733	
Short-term loans and advances	(742)		1,678	
Long-term loans and advances	(5,996)		88	
Other current assets	(7,544)		1,062	
Other non-current assets	6,462	(43,590)	(2,719)	2,739
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	18,753		(4,187)	
Other current liabilities	(2,351)		2,263	
Short-term provisions	-		-	
Other long-term liabilities	(583)		(154)	
Long-term provisions	(1,006)	14,813	76	(2,002)
Cash generated from operations		11,714		27,119
Income tax (paid)/refund net		(7,395)		(4,772)
Net cash flow from / (used in) operating activities (A)		4,319		22,347
B. Cash flow from investing activities				
Capital expenditure on Property Plant & Equipment, including capital advances		(33,869)		(5,372)
Proceeds from sale of Property Plant & Equipment		-		-
Other Bank deposits not considered in Cash & Cash equivalent (NET)		25		(732)
Interest income		311		597
Long-term investments in; - Joint ventures		-		(490)
Net cash flow from / (used in) investing activities (B)		(33,533)		(5,997)
C. Cash flow from financing activities				
Proceeds from long-term borrowings		17,500		1,730
Repayment of long-term borrowings		(9,112)		(1,521)
Net (decrease)/ increase in working capital borrowings		26,000		(11,203)
Proceeds from other short term borrowings		-		-
Repayment of unsecured Deferred Sales Tax Loan		(648)		(812)
Finance cost		(3,632)		(2,341)
Dividends paid		-		-
Tax on dividend		-		-
Lease Repayment		(1,163)		(981)
Net cash flow (used in)/ from financing activities (C)		28,945		(15,128)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(269)		1,222
Cash and cash equivalents at the beginning of the year		1,863		641
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		1,594		1,863

Component of cash and cash equivalents	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
Cash and Cash Equivalents		
- Cash on hand	21	16
- Balances in current accounts	1,573	650
- Debit balance in Cash Credit Account	-	1,197
	1,594	1,863

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2022

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	At the beginning	Cashflows	Fair value changes	Foreign exchange movement	As at the end 31.03.2022
Non-Current Borrowings	17,280	7,740	-	-	25,020
Current Borrowings	3,146	24,208	-	-	27,354

Notes : i. Figure in bracket indicate cash outflow. ii. The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 specified under section 133 of the Companies Act 2013. iii. Previous year figures have been regrouped and rearranged, where necessary to confirm to the current year's classification.

As per our report of even date as attached

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR

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DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

Consolidated Statement of changes in equity for the year ended 31st March, 2022**a) Equity share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1 st April, 2020	18,02,19,448	18,022
Changes during the year	-	-
As at 31 st March, 2021	18,02,19,448	18,022
Changes during the year	-	-
As at 31 st March, 2022	18,02,19,448	18,022

b) Other equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Other comprehensive Income			Total
	Securities premium	General reserve	Retained earnings	Retained Earnings of Subsidiaries / Joint Ventures	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
Balance As at 1 st April, 2020	3,785	256	79,717	(84)	36,303	-	522	1,20,499
Net Profit of the year	-	-	14,059	3	-	-	-	14,062
Other comprehensive income for the year	-	-	-	-	-	-	68	68
Additional Depreciation on Revalued assets transferred to retained earnings	-	-	1,249	-	(1,249)	-	-	-
Additions during the period	-	-	-	634	-	-	-	634
Balance As at 31 st March, 2021	3,785	256	95,025	553	35,054	-	590	1,35,263
Net Profit of the year	-	-	21,642	60	-	-	-	21,702
Other comprehensive income for the year	-	-	-	-	-	(5)	(89)	(94)
Additional Depreciation on Revalued assets transferred to retained earnings	-	-	1,325	-	(1,325)	-	-	-
Additions during the period	-	-	-	2	-	-	-	2
Balance As at 31 st March, 2022	3,785	256	1,17,992	615	33,729	(5)	501	1,56,873

Nature of reserves

- Retained earnings represent the undistributed profits of the Company.
- Other Comprehensive Income (OCI) reserve represents the balance in equity for items to be accounted in OCI. OCI is classified into (i) items that will not be reclassified to profit and loss, and (ii) items that will be reclassified to statement of profit and loss.
- General reserve represents the statutory reserve, this is in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under erstwhile Companies Act, 1956 it was mandatory to transfer the amount before a Company can declare dividend. However under Companies Act, 2013, transfer of any amount to general reserve is at the discretion of the Company.
- Securities Premium represents the amount received in excess of par value of securities. Premium on redemption of securities is accounted in security premium available. When security premium is not available, premium on redemption of securities is accounted for in Statement of profit and loss. Section 52 of Companies Act, 2013 specifies restriction and utilisation of security premium.

As per our report of even date as attached

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

For NSBP & CO.
Chartered Accountants
FRN : 001075N

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR

K. J. SINGH
DIRECTOR

DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

VINITA BAHRI
DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2022
1. Corporate information

Sunflag Iron and Steel Company Limited (the 'Company'), including its subsidiaries and joint venture collectively referred to as ("the group") was incorporated in 1984 and is engaged in the business of manufacturing and sale of Special Steel Rolled products. The Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The registered office of the Company is situated at 33, Mount Road, Sadar, Nagpur - 440001, Maharashtra, India.

The details of Subsidiaries and Joint Ventures are as follows :

Subsidiaries	Joint Ventures
Sunflag Power Limited	Daido D.M.S India Private Limited
Khappa Coal Company Private Limited	Ramesh Sunwire Private Limited
Sunflag Foundation (not considered for consolidation as this company is formed for incurring CSR expenses)	C T Mining Private Limited
	Madanpur (North) Coal Company Private Limited

These consolidated financial statements are in Indian Rupees (₹) and all values in rounded to the nearest Lakh (₹ 00,000) except where otherwise indicated.

2. Significant accounting policies
I. Basis of preparation

The financial statement of the Group has been prepared in accordance with the Indian accounting standards (Ind AS) notified under the Companies (Indian Accounting Standard), Rules 2015, as amended and other relevant provisions of the Companies Act, 2013.

These financial statements have been prepared under the historical cost convention on the accrual basis, and certain financial instruments are measured at fair value, as explained in accounting policies.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The preparation of the financial statements in conformity with Indian Accounting statement (Ind As) required management to make judgments, estimates and assumptions the affect reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimate is revised in the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years and, if material their effects are disclosed in the notes of financial statements. Actual results could vary from these estimates.

The financial statements for the year ended 31st March, 2022 were authorized and approved for issue by the Board of Directors on 27th May, 2022.

II. Basis of consolidation

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Principles of consolidation and equity accounting
Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint Ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

III. Property, plant and equipment

Plant & Machinery and buildings are measured by the holding company at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. All other assets viz. Land, Furniture, vehicles, Equipment, Electrical fittings etc. are stated at original cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Property, plant and equipment are recognized at cost net of duty or tax credit availed, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts, rebates & input of GST and other taxes availed, are deducted in arriving at the purchase price. When significant part of the property, plant and equipment are required to be replaced at intervals, the company derecognized the replaced part and recognized the new parts with its own associated useful life and depreciated it accordingly. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred. Machinery Spares/ Stand by equipments which are used only in connection with Property, plant and equipment and are of material value to the overall value of the asset are capitalized.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Property, plant and equipment eliminated from the financial statement, either on disposal or when retired from the active use. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

Capital expenditure on tangible assets for research and development is classified under property, plant and machinery are depreciated on the same basis as other property, plant and equipment.

IV. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification

An asset is treated as current when it is :

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at last twelve months after the reporting period.

All other assets are classified as non current.

Deferred tax assets and liabilities are classified as non-current assets / liabilities

A liability is treated as current when it is :

- Expected to be settled in normal operating cycle.
- Held primarily for the purpose of trading.
- Due to be settled within twelve months after the reporting period, or
- 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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

V. Intangible assets

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 Intangible Assets.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

VI. Depreciation and amortization

The assets' residual values, useful lives and methods of depreciation are reviewed each financial year end and adjusted prospectively, if applicable.

Depreciation on property, plant and equipment is provided over the useful life of assets as specified in schedule II to the Companies Act, 2013 on straight line method except in case of heavy & light vehicles which are depreciated on written down basis.

However, in respect of certain Plant & Machinery and Electric Installation, depreciation is provided as per their useful lives assessed on the basis of technical evaluation by the technical expert and management estimate. The details of which are as follows: -

Asset Description (As shown in Financials)	Useful life (in years) (As per Financials)	Useful life as per Schedule - II of the Companies Act, 2013 (in years)
Freehold Land		
Freehold Land	20, 90, 95, 100	
Lease Hold Land		
Lease Hold Land	30, 95	
Building including roads		
Buildings Factory	30	30
Non Factory Building	58, 60	60
Township	60	60
Welfare Buildings	60	60
Office Buildings	10, 60	60
Temporary Building	1	3
Boundary Wall & Fencing	5	5
Approach Roads	5, 10	10 (RCC) & 5 (Other)
Railway Siding	15	15
Plant and Machinery		
Plant and Machinery	8, 10, 15, 18, 20, 25, 30	-
Electrical fittings	10	10
Computers	3, 6	3, 6
Combuster WHRB	40 Years	15 Years
Furniture fixtures and others		
Furniture fixtures and others	8	10
Vehicles		
Light Vehicles	8, 6 10	8
Heavy Vehicles	8	8
Office equipment		
Office equipment	5, 10	5
Development of Mines		
Development of Mines	20, 27, 30	-

Property, plant and equipment which are added / disposed-off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

No depreciation is charged on free hold land and capital work in progress.

Intangible assets are amortised over its useful life not exceeding six years on straight line basis.

VII. Impairment of non-financial assets

Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for the assets previously revalued with the revaluation taken to other comprehensive income (OCI). For such assets, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

VIII. Inventories

Inventories are valued as under :

i	Raw materials & components	At cost weighted moving average method.
ii	Consumables, store & spares	At cost weighted moving average method.
iii	Finished and semi-finished goods	At lower of cost of raw material cost and proportion of manufacturing overheads or net realisable value.
iv	Work in progress	At lower of cost of material, plus appropriate production overheads or net realisable value.
v	Any other saleable products of the manufacturing process are considered as finished goods	At the lower of the estimated net realisable value or cost

Cost represent, cost incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolete, defective inventories are duly provided for and valued at net realisable value.

Cost is calculated on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs required to make the sale.

The cost of inventories has been computed to include all cost of purchases, cost of conversion and other related expenses.

Materials and supplies held for use in the production of inventories are not written down if the finished product in which they will be used are expected to be sold at above cost.

IX. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Group's cash management.

X. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

"Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows."

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

XI. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard Ind AS-19- Employee Benefits.

a) Long term benefit

i) Defined benefit plan

The Group's liabilities on account gratuity is determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19 'Employee Benefits'. Gratuity liability is funded on year-to-year basis by contribution gratuity policy taken from Life Insurance Corporation (LIC). The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur.

ii) Defined contribution plan

Retirement benefits in the form of provident fund are accrued as per the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952. Contributions payable to the employee's provident fund in respect of the Group are charged to the statement of profit and loss. There are no other than the contribution payable to the provident fund/trust.

Liability towards superannuation is funded in accordance with the scheme with Life Insurance Corporation of India.

b) Short term benefits

Short term employee benefits are recognized as expenses in the statement of profit & loss of the year in which related services are rendered.

Leave salary in respect of accumulated earned leave has been provided for according to the service rules of the Group.

XII. Earnings per share

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.

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 potential dilutive equity shares.

XIII. Provisions, contingent liabilities, contingent assets and commitments**General**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to provision presented in the statement of profit & loss net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Mine restoration or assets retirement obligation

Mine restoration expenditure is provided for in the statement of profit and loss based on present value of estimated expenditure required to be made towards restoration and rehabilitation at the time of vacation of mine. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The unwinding of the discount on provision is shown as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in the case of :

- ★ There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.
- ★ A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation.
- ★ A present obligation arises from the past event, when no reliable estimate is possible.
- ★ A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Onerous contract

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

Contingent assets

Contingent assets are not recognized. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

XIV. Segment accounting and reporting

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

The operating segments have been identified on the basis of the nature of products/services.

- i. Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
- ii. Expenses that are directly identifiable with / allocable to the segments are considered for determining the segment result. Expenses not allocable to segments are included under unallocable expenditure.
- iii. Income not allocable to the segments is included in unallocable income.

- iv. Segment results includes margin or inter segment and sales which are reduced in arriving at the profit before tax of the Group.
- v. Segment assets and Liabilities include those directly identifiable with the respective segments. Assets and liabilities not allocable to any segment are classified under unallocable category.

XV. Investment in subsidiaries, joint ventures & associates

Investment in subsidiaries, joint ventures & associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

On transition to INDAS, the Group has adopted optional exemption under INDAS-101 to consider carrying value as deemed cost.

XVI. Government grant / assistance

Government grant with a condition to purchase, construct to otherwise acquire long term assets are initially measured based on grant receivable under the scheme. Such grants are recognized in the statement of profit & loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimate are recognized prospectively over the remaining useful of life of assets. Government revenue grants relating to costs are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate.

XVII. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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 the carrying amounts for financial reporting purpose at reporting date.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

XVIII. Revenue recognition

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, regardless of when the payment is being made. Revenue from sale of manufactured goods i.e. steel rolled products is recognised in accordance with Ind AS 115 issued by Ministry of Corporate Affairs and measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and exuding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must be met before revenue is recognized :

a) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Ind AS 115 provides for a five-step model for the analysis of Revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company provides cash in kind discounts at fair value to customers. These benefits are passed to customers on achievement of certain target of sales by respective customers.

Consideration received is allocated between the products sold and discount to be allowed to customers. Fair value of the in-kind discount is determined by applying principle of Ind AS 113, i.e. at market rate. The fair value of the in-kind discount is deferred and recognised as revenue when the in-kind discount is issued.

b) Other operating income

Revenue from job work charges, incentives on exports and other government incentives related to operations are recognized in books after due consideration of certainty of utilization / receipt of such incentives.

c) Other income

Interest income on fixed deposit with banks is recognized on time proportion basis taking into account the amount outstanding and the rates applicable.

Dividend income from investments is recognized when the Group's right to receive payment is established.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

XIX. Foreign currency translation / conversion

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Group's functional and presentation currency.

a) Initial recognition

Foreign currency transactions are recorded in initial recognition in the functional currency, using the exchange rate at the date of the transaction.

b) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

c) Exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Group are recognized as income or expense in the statement of profit and loss.

d) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

e) Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from the commencement of activities relating to construction / development of the qualifying assets up to the date of capitalization of such assets is added to the cost of the assets.

Other borrowing cost are expensed in the period in which they are incurred.

XX. Equity shares

Ordinary shares are classified as equity. Incremental cost net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

XXI. Financial Instruments**1) Initial recognition**

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivable which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

2) Subsequent measurement**Non-derivative financial instruments****a) Financial assets carried at amortized cost**

A financial asset is subsequently measured at amortized if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

d) Financial assets at fair value through profit or loss (FVPL)

A financial asset i.e. equity which is not classified as FVOCL, are subsequently fair valued through profit or loss.

e) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirement of Ind AS 109 and the amount recognised less cumulative amortisation.

f) Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss profit or loss.

g) Cash and cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

h) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, for trade and other payables maturing with one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

3. De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the Group's balance sheet when the obligation specified in the contract is discharged or canceled or expires.

4. Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including, impairment gains or losses) or interest.

5. Offsetting of financial instruments

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

XXII. Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

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 Group.

The fair value of an asset or a 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.

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 the best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

XXIII. Critical accounting estimates, assumptions and judgements

In the process of applying the Group's accounting policies, management has made the following estimates, assumptions and judgments, which have significant effect on the amounts recognised in the financial statement :

a) Property, plant and equipment

External adviser or internal technical team assess the remaining useful lives and residual value of property, plant and equipment. Management believes that the assigned useful lives and residual value are reasonable.

b) Income taxes

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Group reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Consolidated financial statements.

c) Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of Contingencies / claim / litigations against the Group as it is possible to predict the outcome of pending matters with accuracy.

d) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry and interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible. Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

e) Mine restoration obligation

In determining the fair value of the mine restoration obligation the Group uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on the government bond of similar tenure.

XXIV. Recent Accounting pronouncement :

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are :

Balance Sheets :

- Lease liabilities should be separately disclosed under the head 'financial liabilities, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payable, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss :

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes forming part of the Consolidated financial statements for the year ended 31st March, 2022

3. Property, plant and equipment (PPE), Right of use assets & Capital work in progress

(₹ in Lakh)

	Property, plant and equipment (PPE)- at Cost										PPE- Revalued		Right of use Assets as per IND AS 116		Total	Capital Work in Progress
Particulars	Freehold Land	Leasehold Land	Railway Siding	Furniture Fixture & others	Vehicles	Office Equipment	Develop-ment of Mines	Electrical fittings & Computers	Building including Roads	Plant & Machinery	Leasehold land	Plant & Machinery				
Gross Block																
As at 1.4.2020	369	89	375	229	600	412	2,042	2,026	33,669	1,58,749	92	6,066		2,04,718	23,259	
Additions	-	-	-	-	63	-	-	2	1,858	9,857	-	212		11,992	5,766	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Adjustments	-	-	-	-	-	-	-	-	(11,660)	(74,447)	-	-		(86,107)	-	
As at 31.3.2021	369	89	375	229	663	412	2,042	2,028	23,867	94,159	92	6,278		1,30,603	17,310	
Additions	7,882	-	-	-	133	6	-	3	508	5,178	-	165		13,875	25,408	
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-		-	(5,405)	
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Adjustments	-	-	-	-	-	-	-	-	-	(11)	-	-		(11)	-	
As at 31.3.2022	8,251	89	375	229	796	418	2,042	2,031	24,375	99,326	92	6,443		1,44,467	37,313	
Accumulated Depreciation/ Amortisation																
As at 1.4.2020	-	30	356	215	408	390	993	1,919	11,660	73,776	2	316		90,065	-	
Charge for the year	-	1	-	1	67	-	101	4	986	5,409	1	450		7,020	-	
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Depreciation adjustments	-	-	-	-	-	-	-	-	(11,660)	(73,772)	-	-		(85,432)	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
As at 31.3.2021	-	31	356	216	475	390	1,094	1,923	986	5,413	3	766		11,653	-	
Charge for the year	-	1	-	-	67	1	101	3	1,035	5,961	2	460		7,631	-	
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	-		-	-	
As at 31.3.2022	-	32	356	216	542	391	1,195	1,926	2,021	11,374	5	1,226		19,284	-	
Net Block As at 31.3.2021	369	58	19	13	188	22	948	105	22,881	88,746	89	5,512		1,18,950	17,310	
Net Block As at 31.3.2022	8,251	57	19	13	254	27	847	105	22,354	87,952	87	5,217		1,25,183	37,313	

Notes :

- Addition to capital work in progress include ₹ 1,075 Lakh finance cost capitalised during the year. (Previous Year ₹ 1,218 Lakh).
- Cost of Leasehold land is amortised over the period i.e. 95 years.
- The Company has adopted the revaluation model as per IND AS-16 for plant & machinery and building, as at 31st March, 2020, and accordingly the carrying cost and useful life of these assets have been revalued through an independent valuer. Due to revaluation, the Company has charged incremental depreciation for the year ended 31st March, 2022 amounting to ₹ 1,770 Lakh. (Previous Year ₹ 1,667 Lakh).

Notes forming part of the Consolidated financial statement for the year ended 31st March, 2022
Additional Information
1. Assets under construction

Capital work in progress incurred as at 31st March, 2022 amounted ₹ 37,313 Lakh (Previous Year ₹ 17,310 lakh) in view of implementation of new projects.

2. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit (CGU) or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to mid-term market conditions.

Key assumptions used in value-in-use calculations :

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures.

Base on the assessment as made by the management no impairment provision to be made in the current financial year.

3. i. Refer Note No.33 for disclosures of contractual commitments for the acquisition of property, plant and equipment
- ii. The Company has pledged certain assets against borrowings which have been disclosed in note No. 15

Capital Work in Progress: #*

	<u>(Rs. in Lakh)</u>
Opening as at 01.04.2020	23,259
Additions	
Expenditure made during the year	5,766
Capitalised during the year	(11,715)
Closing as at 31.03.2021	17,310
Expenditure made during the year	25,408
Capitalised during the year	(5,405)
Closing as at 31.03.2022	37,313

# Pre-operative expenditure included in CWIP expenses	<u>(Rs. In Lakh)</u>
Carried forward as part of CWIP As at 01.04.2020	1,244
Additions	
Expenditure made during the year	
i. interest and other processing fees	1,218
ii. Employee benefit expenses	-
Capitalised during the year	(426)
As at 31.03.2021	2,036

Expenditure made during the year	
i. Interest and other processing fees	1,075
ii. Misc. Expenses	5
Capitalised during the year	(365)
As at 31.03.2022	2,751

*Refer note No. 47 for information

CWIP Ageing Schedule - As on 31.03.2022

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of 31.03.2022				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	23,990	3,255	3,236	4,460	34,941
Projects temporarily suspended	-	-	-	2,372	2,372
Total	23,990	3,255	3,236	6,832	37,313

Note 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there are no cost over run.

2) The projects suspended are related to Bande Iron Ore, Kodolabad Iron Ore, Warpani Manganese mines developments.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2022

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2022)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Finishing Mill in Blooming Mill	26,432	-	-	-	26,432
Mines under development	-	-	-	86	86
Total	26,432	-	-	86	26,518

CWIP Ageing Schedule - As on 31.03.2021

(₹ in Lakh)

Project Name	Amount in CWIP for a Period of 31.03.2021				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	7213	3248	3694	785	14940
Projects temporarily suspended	-	-	2	2368	2370
Total	7,213	3,248	3,696	3,153	17,310

Note 1) Delay in execution of projects are mainly due to suspension of activities during COVID-19 period. However, there are no cost over run.

2) The projects suspended are related to Bande Iron Ore, Kodolabad Iron Ore, Warpani Manganese mines developments.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2021

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2021)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Finishing Mill in Blooming Mill	-	10,741	-	-	10,741
Super Alloy Project	2,863	-	-	-	2,863
Wire Drawing Project	-	-	512	-	512
Temple under construction	139	-	-	-	139
Mines under development	-	-	-	86	86
Total	3,002	10,741	512	86	14,341

4. Non- Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Investment in equity shares (at cost, unquoted & fully paid)	1,780	1,780
Less : Company's share in the Profit/(Loss) of the Joint Ventures (Equity Method)	(121)	(180)
Total	1,659	1,600
Aggregate amount of unquoted investments	1,659	1,600

Details of Non Trade Investments in equity shares:
Investment in equity instruments (at cost, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Subsidiaries						
Sunflag Foundation	10,000	10,000	100.00	100.00	1	1
Joint Ventures						
Madanpur (North) Coal Co. Private Limited	12,10,188	12,10,188	11.73	11.73	121	121
C T Mining Private Limited	31,80,000	31,80,000	31.80	31.80	318	318
Daido DMS India Private Limited	36,00,000	36,00,000	17.56	17.56	360	360
Ramesh Sunwire Private Limited	98,00,000	98,00,000	49.00	49.00	980	980
Company's share in the profit/(loss) of the Joint Ventures (Equity Method)					(121)	(180)
Others						
India Bulls CSEB Bhayathan Power Limited	74	74	-	-	-	-
Total					1,659	1,600
Additional Information :						
Aggregate amount of quoted investments					-	-
Market value of quoted investments					-	-
Aggregate amount of unquoted investments					1,780	1,780
Aggregate amount of diminution in value of investments					(121)	(180)

Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures and Associates.

Note:-

Pursuant to the Supreme Court Order dated 24th September, 2014, the Coal Block allocated to the company with other Shareholders/ Joint Venture partners in the names of Khappa Coal Company Private Limited, Madanpur (North) Coal Company Private Limited, and CT Mining Private Limited, stands cancelled. Subsequent to the cancellation of previous allocation, the Government of India, Ministry of Law and Justice (Legislative Department) has promulgated the Coal Mines (Special Provisions) Act, 2015 for implementing the order of Supreme Court and fixation of compensation etc. to the prior allottees. But the process of reallocation and crystallization of compensation amount in respect of the above Company's mines, is pending, as the re-auctioning process of these mines are not yet completed.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
5. Other Financial Assets (unsecured)		
Security deposits	1,247	1,299
Security deposits Related Parties (Refer Note No.41)	28	28
Bank deposits with bank more than 12 months maturity	6,225	214
Interest Accrued on bank deposits	27	13
Earmarked escrow bank deposit for mine restoration obligation	108	116
Earmarked escrow current account for mine restoration obligation	31	-
Total	7,666	1,670
6. Other non-current assets		
Capital advances	2,372	5,507
Non current Trade Advance (Refer Note No.39)	-	3,324
Total	2,372	8,831
7. Inventories (As taken, valued and certified by the management) (Refer Note below)		
Raw materials and components		
on hand	28,228	26,458
Goods-in transit (raw material)	-	5
Work-in-progress	20,326	12,332
Finished goods	29,445	11,133
Goods in transit	1,560	648
Consumables, stores and spares	4,135	3,804
Total	83,694	54,380

Note :-

- Valued at lower of cost and net realisable value, unless otherwise stated.
- Inventories are hypothecated to banks against working capital loans (Refer Note No. 20)

Notes forming part of the Consolidated financial statement for the year ended 31st March, 2022

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
8. Trade receivables		
(Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	27,630	21,022
Unsecured, credit impaired	1,318	1,469
	28,948	22,491
Less: Provision for expected credit loss	(1,318)	(1,469)
	27,630	21,022

Trade receivables ageing schedule**Balance As On 31.03.2022**

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables- Considered Good	23,994	3,439	72	21	10	94	27,630
(ii) Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	111	89	88	409	621	1,318
Total	23,994	3,550	161	109	419	715	28,948

Trade receivables ageing schedule Balance As On 31.03.2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed Trade Receivables- Considered Good	16,240	4,491	96	69	32	94	21,022
(ii) Undisputed Trade Receivables- which have significant increase in credit Risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit Risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit impaired	-	20	97	569	81	702	1,469
Total	16,240	4,511	193	638	113	796	22,491

Note : Trade receivables are hypothecated to banks against working capital loans refer note No. 20. Further trade receivables are non interest bearing and receivable in normal operating cycle.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
9A. Cash and cash equivalents		
Cash on hand	21	16
Balances with banks in current accounts	1,573	650
Balance with banks in cash credit accounts	-	1,197
Total (A)	1,594	1,863
9B. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	5,136	5,160
Earmarked balance for Unclaimed dividend #	33	34
Total (B)	5,169	5,194
Total (A+B)	6,763	7,057
# During the year NIL (Previous year NIL) amount has been transferred to Investor Education Protection Fund.		
10. Others - current financial assets		
Accruals - Interest accrued on deposits	75	89
Loans & advances to employees	17	3
Export incentives receivable	23	-
Claims receivables	-	35
Total	115	127
11. Income tax assets (net)		
Advance Tax (Net of Provision)	754	-
Total	754	-
12. Other current assets		
Advance to vendors	12,582	5,437
Prepaid Expenses	595	579
Balances with Statutory / Govt Authorities #	2,350	1,967
Total	15,527	7,983

includes Mega Project incentive receivable and duty paid under protest of ₹ 177 Lakh (Previous year ₹ 177 Lakh)

13. Equity Share capital (₹ in Lakh)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10/- each	20,50,00,000	20,500	20,50,00,000	20,500
Total	20,50,00,000	20,500	20,50,00,000	20,500
Subscribed, issued & fully paid up				
Equity shares of ₹ 10/- each	18,02,19,448	18,022	18,02,19,448	18,022
Total	18,02,19,448	18,022	18,02,19,448	18,022

a) Terms/ Voting Rights attached to the Equity Shares

(i) The Company has one class of equity shares having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. (ii) In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the Equity shares held by the Shareholders.

b) Reconciliation of the number of shares outstanding

Movement of Shares	As at 31.03.2022	As at 31.03.2021
Opening number of shares issued	18,02,19,448	18,02,19,448
Shares issued during the year	-	-
Closing number of shares issued	18,02,19,448	18,02,19,448

c) Details of shareholders holding more than 5% shares in the company

Name of shareholder	As at 31.03.2022		As at 31.03.2021	
	Number of shares	% Holding	Number of shares	% Holding
Sunflag Limited, Channel Islands, UK	6,52,53,582	36.21%	6,52,53,582	36.21%
Daido Steel Co. Ltd., Japan	1,80,21,945	10.00%	1,80,21,945	10.00%
Mr. Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33%	1,32,17,398	7.33%
Mr. Dhpendra Bhupendra Sanghavi	1,27,86,431	7.09%	1,27,25,612	7.06%

d) Shares held by promoters at the end of the year as on 31.03.2022

Sr. No.	Name of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Ltd (Channel Islands, UK)	6,52,53,582	36.21	Nil
2	Pranav Ravi Bhardwaj	16,12,140	0.89	Nil
3	Veena Bhardwaj	35,90,281	1.99	Nil
4	Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	Nil
5	Supra Corporation Limited	85,21,425	4.73	Nil

Shares held by promoters at the end of the year as on 31.03.2021

Sr. No.	Name of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Ltd (Channel Islands, UK)	6,52,53,582	36.21	Nil
2	Pranav Ravi Bhardwaj	16,12,140	0.89	Nil
3	Veena Bhardwaj	35,90,281	1.99	Nil
4	Suhrit Ravi Bhushan Bhardwaj	1,32,17,398	7.33	Nil
5	Supra Corporation Limited	85,21,425	4.73	Nil

e) As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

f) Aggregate number of bonus share or share for consideration other than cash and shares bought back during the period of five years immediately preeceding the reporting date are "NIL".

14. Other equity

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	1,17,992	95,025
Retained Earnings of Subsidiaries	615	553
Other Comprehensive Income/(Loss)		
Revaluation Surplus	33,729	35,054
Remeasurements of the defined benefit plans	501	590
Effective portion of cash flow Hedges	(5)	-
Total	1,56,873	1,35,263

15. Non current borrowings**i. Secured**

- a) Term loans - from banks
a) Term loans - from NBFCs
Less : Current maturities of long-term debt (refer note 20A)
- Term loans - from banks
- Term loans - from NBFCs

Total (i)**As at 31.03.2022**
(₹ in Lakh)

6,389

16,581

(965)

(4,700)

17,305

As at 31.03.2021
(₹ in Lakh)

14,630

-

(3,687)

-

10,943

ii. Unsecured

- a) Unsecured loan from promoters (interest free)
b) Unsecured loan from others (interest free)
c) Others - Interest free Sales Tax loan
Less : Current maturities of long-term debt (refer note 20A)

Total (ii)**Total (i+ii)**

1,375

428

675

(462)

2,016

19,321

1,375

428

1,275

(648)

2,430

13,373

- i. a) Term Loans from Banks/NBFCs are Secured by a first mortgage of the Company's Immovable properties situated at Village Warthi, District Bhandara, both present and future ranking pari passu interse and a first charge by way of hypothecation of all the Company's movables subject to prior charges created in favour of Company's bankers on Inventories, book debts and other movables for securing the borrowings for working capital requirement.
- b) Term Loans ₹ 5500 Lakh (drawn ₹ 3000 Lakh) sanctioned by Bajaj Finance Ltd. is secured by a first mortgage of the Company's Immovable properties situated at KG Marg, New Delhi.
- c) The funds availed from the Bank have been utilized only for the purpose(s) as stated in the Sanction Letter and are not used for any investments and other purposes.

ii. Other Term loan availed during the year :

(₹ in Lakh)

Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / outstanding 31-03-2022	Availed / Outstanding 31-03-2021
1	State Bank of India		15,000	3,036	8,049
2	Axis Bank Limited	ROI for these loans ranges from 7.75% to 8.50%	10,000	2,167	3,784
3	Canara Bank		6,500	1,186	2,797
4	Axis Finance Limited		7,500	7,250	-
5	Bajaj Finance Limited		7,000	9,331	-
6	Bajaj Finance Limited		5,500		
			51,500	22,970	14,630

Note - Outstanding balances are inclusive of current and non-current portion of term loans.

- iii. The Company has not defaulted in repayment of principal and interest during the year.
- iv. The Unsecured loans comprising term loans given by Promoters are interest free. There is no stipulation as to the repayment hence there is no default which has occurred in repayment during the year.
- v. The Unsecured loans comprising Interest free Sales Tax Loan are valued on NPV basis. Actual liability is ₹ 675 lakhs (previous year ₹ 1,275 lakhs). The repayment of the sales tax loan is made as per the schedule and no default has occurred in repayment during the year.

(₹ in Lakh)

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years	3 - 4 years	Beyond 4 years
Term loan from banks	965	965	965	1,261	2,233
Term loan from NBFCs	4,700	4,890	3,305	2,231	1,455
Unsecured Interest Free Sales Tax Loan #	462	200	51	-	-

Figure given are including unwinding of interest as per Ind AS.

16. Other non - current financial liabilities**a) Lease Liability**

- Lease Liability Ind AS 116
Less : Lease Liability - Current Maturity

Total (a)**As at 31.03.2022**
(₹ in Lakh)

5,874

(293)

5,581

As at 31.03.2021
(₹ in Lakh)

5,975

(254)

5,721

b) Other financial liabilities

- Payables for capital goods / Retention Payables
Security Deposits

Total (b)**Total (a+b)**

644

235

879

6,460

1,388

137

1,525

7,246

17. Non - current provisions

- Provision for employee benefits
Provision for contingencies (refer details below)

700

2,704

3,404

718

3,192

3,910

Movement in each class of provision as required by Ind AS - 37 during the financial year are provided below :

Particulars	Labour and other dues		Mine Restoration Obligation		Total	
	2021-2022	2020-2021	2021-2022	2020-2021	2021-2022	2020 -2021
Opening	682	682	2,509	3,115	3,192	3,797
Provision (Reversal) during the year	-	-	(501)	(618)	(501)	(618)
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	14	12	14	12
Closing	682	682	2,022	2,509	2,704	3,192

18. Deferred tax liabilities

Particulars	As at 31.03.2022	Charge/Credit during the year	As at 31.03.2021	Charge/Credit during the previous year	As at 31.03.2020
a) Deferred Tax Liabilities on					
Tax on account of timing difference between book value of depreciable assets as per books of account and written down value as per Income Tax Act, 1961	6,217	(325)	6,542	(354)	6,896
Revaluation Gain	11,345	(446)	11,791	(419)	12,210
	<u>17,562</u>	<u>(771)</u>	<u>18,333</u>	<u>(773)</u>	<u>19,106</u>
Deferred Tax Asset on					
Lease asset	(1,605)	(75)	(1,530)	(60)	(1,470)
Lease liability	1,539	35	1,504	(6)	1,510
Expenses Disallowed	981	(126)	1,107	285	822
	<u>915</u>	<u>(166)</u>	<u>1,081</u>	<u>219</u>	<u>862</u>
Net Deferred Tax Liability (Current Year)	<u>16,647</u>	<u>(605)</u>	<u>17,252</u>	<u>(992)</u>	<u>18,244</u>

Year ended 31.03.2022
(₹ in Lakh)

Year ended 31.03.2021
(₹ in Lakh)

Tax Expenses :

a) Current Tax expenses for the year	7,395	4,772
b) Deferred Tax	(605)	(992)
Total	<u>6,790</u>	<u>3,780</u>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 and 31st March, 2021.

Accounting profit before tax	28,434	16,535
Applicable tax rate	25.168%	25.168%
Computed tax	7,155	4,162
<u>Adjustments</u> - Less : Revaluation gain	<u>(446)</u>	<u>(419)</u>
Permanent disallowance	131	78
Less : Others	<u>(50)</u>	<u>(41)</u>
Current Tax Expense for the Year	<u>6,790</u>	<u>3,780</u>

As at 31.03.2022
(₹ in Lakh)

As at 31.03.2021
(₹ in Lakh)

19. Other non - current liabilities

Government grant	12	60
Total	<u>12</u>	<u>60</u>

20A. Current financial liabilities - Borrowings

Secured

Loans repayable on demand

Borrowings for working capital from banks	20,057	-
Current maturities of long-term debt :		
Term loan from banks and NBFCs	5,665	3,687

Unsecured

Customer bills discounted	7,297	3,146
Current maturities of long-term debt :		
Unsecured Interest free Sales Tax loan	462	648
Total	<u>33,481</u>	<u>7,481</u>

- i. Working capital borrowings are secured by way of hypothecation of Inventories and book debts and further secured by way of second charge ranking *pari passu* over the fixed assets situated at Village Warthi, District Bhandara both present and future, subject to prior charges created by the Company in favour of banks for securing term loan. Working capital borrowings are secured by the personal guarantee of Shri Ravi Bhushan Bhardwaj, Chairman of the Company.
- ii. Interest on working capital loan from Banks are charged between 4.75% to 7.6% by respective bank.
- iii. Outstanding under Customer bills discounted are supported by Letter of credit issued by the respective customers. Further the bills are discounted after receipt of acceptance from applicant's Bank.
- iv. The outstanding balance as on 31st March, 2021 for working capital shown above is net of debit balance in cash credit accounts with banks.

20B. Lease Liability - Current Maturity

Lease Liability - Current Maturity

Total
As at 31.03.2022
(₹ in Lakh)
293
293
As at 31.03.2021
(₹ in Lakh)
254
254
21. Current financial liabilities - Trade payables

(a) Total outstanding dues of Micro Enterprises and Small Enterprises

1,059
810

(b) Others

(i) Acceptances

12,943
1,852

(ii) Other than acceptances

31,317
23,904
44,260
25,756
Total (a+b)
45,319
26,566
Trade Payables ageing schedule
As on 31-03-2022
(₹ in Lakh)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. MSME	528	172	7	7	32	746
ii. Others	38,153	2,056	218	385	848	41,660
iii. Disputed dues - MSME	-	-	-	313	-	313
iv. Disputed dues - Others	-	-	-	-	2,600	2,600
Total	38,681	2,228	225	705	3,480	45,319

Note:- # Outstanding more than 1 year are mainly on account of retention money kept with the company to ensure compliances of statutory dues payable by contractors.

Trade Payables ageing schedule
As on 31-03-2021
(₹ in Lakh)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. MSME	398	65	16	6	13	498
ii. Others	19,551	2,035	505	509	555	23,155
iii. Disputed dues - MSME	-	-	313	-	-	313
iv. Disputed dues - Others	-	-	-	-	2,600	2,600
Total	19,949	2,100	834	515	3168	26,566

Note:- # Outstanding more than 1 year are mainly on account of retention money kept with the company to ensure compliances of statutory dues payable by contractors.

There are certain amounts outstanding beyond the agreed period to Micro and Small Enterprises as required by MSMED Act, 2006 as on the Balance Sheet date due to the dispute with these Enterprises, to the extent such Enterprises have been identified based on information available with the Company. However, since the amount is disputed, the management is of the view that no interest liability will arise on the Company.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1,059	810
ii. The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii. The amount of 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 Medium Enterprise Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	1,059	810

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. Moreover the Company is in the process of updating its suppliers data, as to the status as a Micro, Small & Medium Enterprise with a copy of the Memorandum filed as per the provisions of Section 8 of the Micro, Small & Medium Enterprises Development Act, 2006.

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
22. Other current financial liabilities		
Interest accrued but not due on long term borrowings	86	79
Unclaimed dividends #	33	34
Discounts	636	629
Managerial commission	684	440
Salary & Reimbursements	349	1,871
Advances received from Customers	2,395	2,106
Capital Creditors	1,494	243
Others	2,318	2,952
Total	7,995	8,354

There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

23. Other Current Liabilities		
a) Government grant	48	113
b) Statutory dues payable	632	264
c) Others	15	22
	695	399
24. Current Tax Liabilities (net)		
Income tax liabilities (net)	-	598
	-	598

	For the Year ended	
	31.03.2022 (₹ in Lakh)	31.03.2021 (₹ in Lakh)
25. Revenue From Operations		
Sale of manufactured goods	2,71,223	1,92,152
Less : Discounts	(1,965)	(3,094)
Total (a)	2,69,258	1,89,058
Other operating income		
Conversion charges received	4	69
Duty drawback & export incentives	63	28
Expenses Written Back	501	-
Total (b)	568	97
Total (a+b)	2,69,826	1,89,155

		For the year ended	
		31.03.2022	31.03.2021
		(₹ in Lakh)	(₹ in Lakh)
26. Other Income			
Interest Income		312	597
Insurance claims		4	295
Amortization of Government grant		113	159
Other income		27	47
Total other income		456	1,098
27. a) Cost of raw material & components consumed			
Inventory at the beginning of the year		30,267	20,952
Add: Purchases during the year		1,93,446	1,19,076
Less: Inventory at the end of the Year		(32,361)	(30,267)
Total (a)		1,91,352	1,09,761
Details of raw material & components consumed			
Iron ore & iron ore fines		40,469	21,211
Coal & coal fines #		5,844	2,335
Coking coal		33,973	6,596
Coke		24,033	36,911
Sponge iron		-	-
Scrap & HBI		6,992	4,141
Ferro alloys		34,322	16,205
Fluxes, minerals & additives		12,814	6,916
Electrodes		2,587	1,364
Others		30,319	14,082
Total		1,91,352	1,09,761
# Net of Consumption of Coal from Captive Mines			
b) Other Manufacturing Expenses			
Consumption of fuel		7,672	3,079
Consumption of power (Net of captive consumption)		16,692	10,205
Coal mine FPO, Royalty, Coal Raising, freight and other expenses		7,096	3,442
Contract expenses		11,423	6,607
Total (b)		42,883	23,333
Total Expenses (a+b)		2,34,235	1,33,094
Details of Inventory of Raw Material & Components			
Iron Ore & Iron Ore Fines		1,761	7,945
Coal & Coal Fines		5,791	1,971
Cokeing Coal		8,442	5,268
Coke		3,301	4,496
Scrap & HBI		793	1,421
Ferro Alloys		3,732	2,856
Fluxes, Minerals & Additives		1,099	682
Electrodes		1,933	509
Goods in Transit		-	5
Others		5,509	5,114
Total		32,361	30,267
28. Changes in inventories of finished goods and work-in-progress			
a. Inventories at the end of the year			
Finished goods		31,005	11,781
Work-in-progress		20,326	12,332
Total (a)		51,331	24,113
b. Inventories at the beginning of the year			
Finished goods		11,781	17,639
Work-in-progress		12,332	17,685
Total (b)		24,113	35,324
Net (increase) / decrease	Total (b-a)	(27,218)	11,211

		For the year ended	
		31.03.2022 (₹ in Lakh)	31.03.2021 (₹ in Lakh)
29. Employee Benefit Expenses			
Salaries, wages and bonus		8,424	7,814
Contribution to provident and other funds		938	686
Staff welfare expenses		513	678
Remeasurements of the defined benefit plans (Gratuity)		(89)	68
Total		9,786	9,246
30. Finance Cost			
Interest on term loans		1,703	1,429
Interest Capitalised		(1,075)	(1,218)
Interest on term loans net		628	211
Interest on working capital loans		1,932	1,029
Interest on bills discounted		128	162
Unwinding of Interest		13	12
Other borrowing costs		870	816
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		61	112
Interest on lease liability (IND AS 116) {Refer note No.36}		593	606
Total		4,225	2,948
31. Depreciation and amortization expense			
Depreciation and amortization of property plant & equipment		7,169	6,569
Amortization of right of use assets (Refer note No.37)		462	451
Total		7,631	7,020
32.			
32.1 Other Expenses			
Freight & forwarding net		9,093	6,498
Travelling expenses		216	133
Insurance charges		430	556
Rent, rates and taxes		227	93
Repairs & maintenance		168	122
Printing & stationary		22	20
Directors' sitting fee		9	6
Postage & telephones		74	66
Corporate social responsibility (Refer note No.46)		293	310
Admin Expenses		682	661
Legal & professional expenses (Refer note No.32.2 below)		983	827
Exchange fluctuation loss (Net)		577	136
Commission		177	276
Bad Debts written-off		-	-
Provision for doubtful debts		(152)	409
Others		390	86
Total		13,189	10,199
32.2 Payments to Auditors			
Statutory Audit fees		17	15
Limited Review Fees		5	5
Total		22	20
33. Earnings Per Share			
Basic Earnings per Share			
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakh	21,702	14,062
Weighted Average shares outstanding at the end of year	Number	18,02,19,448	18,02,19,448
Number of Shares outstanding at the end of year	Number	18,02,19,448	18,02,19,448
Basic and diluted Earnings ₹ per equity share	Rupees	12.04	7.80

Since there is no fresh issue or Bonus issue and also the absence of any other type of share capital Outstanding at the end of the year the Diluted EPS and Basic EPS are same.

34. Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
i) Contingent liabilities		
(a) Unexpired letter of credit	19,947	13,536
(b) Guarantees issued by Company's bankers on behalf of the Company	5,810	2,896
(c) Excise duty & custom duty against which company has preferred an appeal	1,030	1,021
(d) Income Tax Liability	132	132
(e) Other Legal cases filed against the company	32	16
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	26,138	24,558
Note : Interest liabilities may arise on above contingent liabilities		

35. Segment information

The Company has only one operating segment i.e. 'Iron & Steel Business' and operations are mainly within India. Hence, it is the only reportable segment under INDAS 108 'Operating Segments'.

Entity wise disclosure required by INDAS-108 are made as follows:

(₹ in Lakh)

Particulars	Year ended 31 st March 2022		Year ended 31 st March 2021	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers	2,65,281	4,546	1,87,105	2,050
There is no single customer who has contributed 10% or more to the company's revenue for both the years ended 31 st March, 2022 and 31 st March, 2021.				
Non - Current Assets :				
Property, Plant and Equipment	1,19,879	-	1,13,349	-
Right of Use Assets	5,304	-	5,601	-
Capital work in progress	37,313	-	17,311	-
Other non current assets	11,697	-	12,101	-

Note : There are no non-current assets located outside India

36. Lease (Ind AS 116 Disclosure)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	As at 31.03.2022 (₹ in Lakh)	As at 31.03.2021 (₹ in Lakh)
Opening Balance	5,975	6,000
Acquisition	165	212
Deletions	-	-
Accretion of interest	593	606
Payments	859	843
Closing balance	<u>5,874</u>	<u>5,975</u>
Non-current	5,581	5,721
Current	293	254

The effective interest rate of lease liabilities is 9.85%, with maturity between 2021-2083

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
The following are the amounts recognised in profit & loss :		
Amortisation expense of right of use assets	462	451
Interest expense on lease liabilities	593	606
Expense relating to leases of short-term / low value assets (included in other expenses)	-	-
Total amount recognised in in statement of profit & loss	1,055	1,057
Amounts recognised in statement of cash flows :		
Financing activities :		
Repayment of principal	266	237
Repayment of interest	593	606
Operating activities :		
Short term / low value assets lease payment	-	-
Total cash outflow for leases	859	843
Minimum lease amount is not separately disclosed as the same is not material.		

37. Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders and net debt includes interest bearing loans and borrowings less current investments and cash and cash equivalents. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Long term borrowing	19,321	13,373
Short term borrowing	27,354	3,146
Current maturities of long-term debt	6,127	4,335
Less : Cash and bank balance	(6,763)	(7,057)
Net debt	46,039	13,797
Equity	1,75,049	1,53,437
Capital and net debt	2,21,088	1,67,234
Gearing ratio	20.82%	8.25%

To maintain or adjust the capital structure, the Company review the fund management at regular intervals and take necessary actions to maintain the requisite capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2022 and 31st March, 2021.

38. The Company received an Arbitration award dated 22nd April 2022 towards settlement of its claims on Lloyds Metals and Energy Limited (LMEL). The order imposed financial liability on LMEL to the tune of ₹ 90,000 Lakh. An online intimation of the said Order under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been filed with the BSE and NSE by the Company on 23rd April 2022. Since the implementation of the Arbitration Award has not taken its finality as on the date of approval of the financials, the company has not recognised the impact of the same in the financial statements. Advances given earlier has now been reclassified as current advances as the same will get adjusted/recovered in the current period.

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ 18 Lakh. (Previous Year Deficit ₹ 21 Lakh). Further the following table sets out for the Employee Benefits plan as required under Ind AS 19

(₹ in Lakh)

Particulars	Gratuity		Provident Fund		Superannuation	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,608	2,574	7,963	7,539	2,401	2,587
Interest cost	171	181	661	622	166	129
Current Service Cost	153	141	877	825	207	191
Benefits Paid	(431)	(289)	(1,333)	(1,023)	(406)	(506)
Actuarial loss on obligations	(89)	68	-	-	-	-
Present value of obligations as at the end of the year	2,412	2,675	8,168	7,962	2,368	2,400
Table showing changes in the fair value of Plan Assets :						
Fair value of plan assets at the beginning of year	2,608	2,574	7,963	7,539	2,401	2,587
Expected return on plan assets	171	182	552	603	166	129
Contributions	153	141	877	825	207	191
Benefits paid	431	289	(1,333)	(1,023)	(406)	(506)
Actuarial Gain / (Loss) on plan assets	(862)	(577)	-	-	-	-
Fair value of plan assets at the end of the year	2,501	2,608	8,059	7,944	2,368	2,400
Funded Status	(89)	68	(109)	(18)	-	-
Excess of Actual over estimated return on plan assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Loss for the year – Obligation	(89)	68	-	-	-	-
Actuarial Gain / (Loss) for the year – plan assets	(89)	68	(109)	(18)	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) Recognised in the year	(89)	68	(109)	-	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,412	2,675	8,167	7,963	2,366	2,400
Fair value of Plan assets as at the end of the year	2,501	2,608	8,059	7,944	2,366	2,400
Funded Status	(89)	68	(109)	19	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	(89)	68	(109)	(19)	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	153	141	661	622	-	-
Interest Cost	-	-	-	-	-	-
Expected return on plan assets	-	-	552	603	-	-
Net Actuarial (Gain)/Loss recognised in the statement of profit & Loss	(89)	68	-	-	-	-
Expenses Recognised in statement of Profit & Loss	153	141	(109)	(19)	-	-
Actuarial Assumptions :						
Discount rate	7.80%	7.80%	8.50%	8.55%	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	21%	22%	-	-
State Government Securities	-	-	38%	40%	-	-
Approved marketable Securities	-	-	-	-	-	-
Bonds / debentures etc	-	-	36%	34%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	-	-	-	-
Liquid fund / Money Market Instrument	-	-	6%	4%	-	-
Total			100%	100%		

- a) The investment details of Gratuity funds are as per the Scheme of Life Insurance Corporation of India (LIC).
- b) The investment details of Superannuation funds are as per the Scheme of Life Insurance Corporation of India (LIC) under two plans. Even though these plans are still continuing, Company has stopped making contribution towards One plan i.e. Superannuation Scheme of Workers w.e.f 01.04.1995 on payment of bonus in the year 1995 as per the terms and conditions of Rules framed at the time of subscribing to the designated policy of LIC. Company was liable as per terms and conditions of the Trust deed to pay contributions only till applicability of provisions of Payment of Bonus Act.

40. Related Party Disclosure (as identified by the Management)

In accordance with the requirements of IND AS-24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reporting periods.

Related Party Name and Relationship
i) Key Management Personnel

(₹ in Lakh)

Name	Designation	Account	Transactions year ended		Outstanding As at	
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
Mr Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	145	84	37	35
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	739	500	2	17
Mr Surendra Kumar Gupta	Deputy Managing Director	Remuneration	141	100	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	112	80	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	104	69	-	-
Mr. S. Mahadevan	Chief Financial Officer	Remuneration	60	43	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	40	26	-	-
Dr. E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4.84	4.13	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4.70	4.06	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	3.99	3.42	-	-
Mr. Anand Kapre	Non Executive, Independent Director	Commission & Sitting Fees	3.65	3.00	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	3.65	3.00	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	3.72	3.22	-	-

Note :- Directors remuneration includes post employment benefits, PF and other contributions.

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2022	Account	Transactions year ended		Outstanding As at	
			31.03.2022	31.03.2021	31.03.2022	31.03.2021
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	293	310	-	-

iii) Joint Ventures

Daido D.M.S. India Private Limited	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire Private Limited		Share Capital	-	490	980	980
Ramesh Sunwire Private Limited	49.00%	Sale of Goods	2,530	1,763	326	491
Ramesh Sunwire Private Limited		Purchase of goods	(24)	-	-	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Co. Pvt. Ltd.	11.73%	Share Capital	-	-	110	110

Note : Sales/Purchase figures given are inclusive of taxes.

iv) Entities over which KMPs have significant influence

Haryana Televisions Limited.	Relationship through KMP	Rent	66	47	-	-
Haryana Televisions Limited.	Relationship through KMP	Security deposit	-	-	28	28

Note : Rent figures given are inclusive of taxes.

v) Disclosure required by Companies Act, 2013

a) Particulars of guarantee given : The Company have not given guarantee to its subsidiaries/Joint Venture Companies.

b) Particulars of Security Deposit Nil

41. Interest In Joint Ventures

The Company has interests in the following jointly controlled entities:

Name of Companies and country of incorporation	% of shareholding	Amount of Interest based on accounts for the year ended 31.03.2022					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido DMS India Private Limited / India	17.56 (17.56)	372 (344)	372 (344)	309 (185)	309 (198)	- -	- -
Madanpur (North) Coal Company Private Limited / India #	11.73 (11.73)	110 (110)	110 (110)	3 (3)	14 (14)	389 (389)	- -
Ramesh Sunwire Private Limited / India	49.00 (49.00)	1,958 (2,031)	1,958 (2,031)	1,554 (1,245)	1,492 (1,202)	- -	- -
C T Mining Private Limited / India	31.80 (31.80)	323 (319)	323 (319)	7 (8)	3 (3)	- -	- -

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Company Private Limited (MNCPL) are not available till the date of signing of these financials. Hence the figures relating to MNCPL are not changed., In case of Daido DMS India Private Limited signed financials are not available, hence management certified financials accepted.

42. Fair value hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values :

Financial Assets

(₹ in Lakh)

Particulars	Fair value hierarchy	As at 31.03.2022		As at 31.03.2021	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level 3	1,659	1,659	1,600	1,600
Financial assets designated at fair value through other comprehensive income					
Financial assets designated at amortised cost					
Non current financial asset - loans	Level 3	-	-	-	-
Current financial asset - trade receivables	Level 3	27,630	27,630	21,022	21,022
Current financial asset - Cash and cash equivalents	Level 2	1,594	1,594	1,863	1,863
Financial Asset - Bank balances other than above	Level 2	5,169	5,169	5,194	5,194
Total		36,052	36,052	29,679	29,679

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities - Borrowings	Level-2	17,305	17,305	10,943	10,943
Non current financial liabilities - Other	Level-3	2,895	2,895	3,955	3,955
Current financial liabilities - Borrowings	Level-2	27,354	27,354	3,146	3,146
Current financial liabilities - Other	Level-3	14,122	14,122	12,689	12,689

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

The fair values of derivatives are on MTM as per Bank.

Company has opted to fair value its Long term and Current investments through profit & loss.

Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level-1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

43. Financial Risk Management
Financial risk factors

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan, Investment, trade receivables, other receivables, cash and short-term deposits that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and also ensure that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes will be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

i) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2022 and 31st March, 2021.

- Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest expenses to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total loan portfolio. The company's borrowings have been contracted at floating rates of interest. Accordingly, carrying value of such borrowings (including interest accrued but not due) which approximates fair value.

- Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the unhedged portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakh)

Increase / (decrease) in interest rate		Effect on profit before tax	
As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
0.50%	0.50%	165.10	34.17
- 0.50%	- 0.50%	(165.10)	(34.17)

- 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 and financing activities.

Currency	As at 31.03.2022		As at 31.03.2021	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	1	(1)	2	(2)
CNY	75	(75)	-	-
GBP	-	-	-	-
SEK	-	-	-	-
USD	134	(134)	61	(61)

ii) Credit risk

Credit risk is the risk that a counter party 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 and advances to suppliers) and from its financing activities, including deposits and other financial instruments.

Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company continuously monitors the economic environment in which it operates. The Company manages its Credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major clients. An impairment analysis is performed at each quarter end on an individual basis for major customers.

(₹ in Lakh)

Ageing	Total		Up to 6 month		More than 6 month	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Trade receivables	28,948	22,491	27,544	20,751	1,404	1,740
Less : ECL Provision	(1,318)	(1,469)	-	-	(1,318)	(1,469)

Movement of Expected Credit loss

(₹ in Lakh)

	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2022	1469	-	(151)	1318
2021	1061	408	-	1469

iii) Liquidity Risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and cash credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contracted undiscounted payments.

Financial Liabilities	Total		Less than 1 year		1 to 2 year		2 year and above	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Non current financial liabilities								
i) Borrowings*	25,448	17,708	6,127	4,335	1,165	5,712	18,156	7,661
ii) Others	6,460	7,246	-	-	1,216	1,820	5,244	5,426
Current financial liabilities								
i) Borrowings*	27,354	3,146	27,354	3,146	-	-	-	-
ii) Others	7,995	8,354	7,995	8,354	-	-	-	-

* Including current maturity of Long term debt.

44. Information related to Consolidated Financial statements

The company is listed on stock exchange in India, the Company has prepared consolidated financial statements as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on company's web site for public use.

45. i) The Company has spent amount on corporate social responsibility expenses as below :

(₹ in Lakh)

Particulars	31.03.2022	31.03.2021
Gross amount required to be spent during the year	293	310
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	293	310

ii) Provision made for Corporate Social Responsibility

Particulars	31.03.2022	31.03.2021
Opening balance of Provision	-	-
Addition during the Year	310	293
Funds transferred to Sunflag Foundation for CSR activities	310	293
Closing balance of provision	-	-

iii) CSR expenses incurred by the implementing agency and the company

Description	Relevant Clause of SCH. VII of Companies Act, 2013	For the year ended 31.3.2022	For the year ended 31.3.2021
Expenditure done through Sunflag Foundation			
Rural Development	Clause No. X	24	6
Health Care	Clause No. I	137*	94
Education training & skill development	Clause No. I & X	8	15
Environment sustainability & protection of Flora and Fauna	Clause No. IV	17	1
District Sport & cultural activities	Clause No. VII	56	1
		242	117
Expenditure done directly by the company			
Rural Development	Clause No. X	-	148
Total Expenditure by the Company		242	265

a) The unspent amounts are allocated to various on going capital expenditure approved by the CSR Committee of the company. All such unspent amount has been transferred to specific bank accounts.

*b) This includes projected spent of FY 2020-21 of Rs.45 Lakhs

iv) Corporate Social Responsibility (CSR)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
i) Amount required to be spent by the company during the year (a)	293	310
ii) Amount of expenditure incurred for the current year (b)	197	265
iii) Projected spent of FY 2020-21, spent during the year	45	-
iv) Shortfall for the current year (a-b)	96	44
v) Funds Kept in Special Allocated Bank Accounts	504	420
vi) Total of previous years shortfall	Nil	Nil
vii) Reason for shortfall	Nil	Nil
viii) Nature of CSR activities	Refer to iii	Refer to iii
ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	293	310
x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

v) Utilization of unspent CSR funds by Sunflag Foundation

Financial year	Amount unspent on corporate social responsibility activities for ongoing projects	Balance amount to be kept in special bank accounts as per Section 135(6)	Amount transferred to Special Account within 30 days from the end of the financial year	Amount transferred after due date
2017-18	67	67	-	-
2018-19	158	158	-	-
2019-20	156	156	-	-
2020-21	-	-	404*	-
2021-22	96	96	100	-
Total	477	477	504	-

*Section 135(6) of companies act, 2013 which became effective from 22.01.2021, which mandates unutilized CSR funds to be kept in special bank accounts, accordingly Sunflag Foundation transferred unspent CSR funds to special accounts FY-2020-21 onwards.

46. During the year, Company has incurred expenditure related to construction of property, plant and equipment and therefore accounted for the same under capital work in progress. Details of the expenses capitalised and carried forward as capital work in progress are given below :

(₹ in Lakh)

Particulars	As at 31.03.2022	As at 31.03.2021
Brought forward from last year	17,310	23,259
Expenditure incurred during the year:		
Bulding and civil constructions	1,343	198
Machinery and equipments	22,985	4,350
Interest and financial charges	1,075	1,218
Miscellaneous expenses	5	-
Total expenditure during the year	25,408	5,766
Less : Miscellaneous Income	-	-
Less : Capitalised during the year	5,405	11,715
Carried forward as part of Capital-work-in-progress	37,313	17,310

47. Subsequent events

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization of these financial statements.

48. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13th November, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

49. Other Statutory information

- i) The Company does not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.
- ii) The Company does not have any transactions with companies struck off.
- iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provision of the Income Tax Act, 1961).
- vi) The Company has not been declared willful defaulter by any banks or any other financial institution at any time during the financial year.
- vii) All immovable properties are held in the name of the Company.
- viii) Ratio Analysis

Sr. No.	Ratio	UOM	2022	2021
1	Net Profit Margin	Percentage	8%	7%
2	Debt Service Coverage Ratio	Times	3.02	5.93
3	Trade Receivable Turnover Ratio	Times	10.49	8.28
4	Inventory Turnover Ratio	Times	3.91	3.42
5	Trade payable Turnover Ratio	Times	5.38	2.81
6	Debt- Equity Ratio	Times	0.30	0.14
7	Current Ratio	Times	1.53	2.07
8	Return on Equity Ratio	Times	0.12	0.09
9	Return on Capital Employed	Times	0.16	0.11
10	Return on Investment	Times	0.07	0.06
11	Net Capital Turnover Ratio	Times	1.64	1.30

50. Previous year's figures have been regrouped / re-classified wherever necessary to make them more comparable.

As per our report of even date as attached

For NSBP & CO.
Chartered Accountants
FRN : 001075N
DEEPAK K AGGARWAL
Partner
M. No. 095541
New Delhi
27th May, 2022

For and on behalf of Board of Directors of Sunflag Iron and Steel Company Limited

PRANAV BHARDWAJ
MANAGING DIRECTOR
S. K. GUPTA
Dy. MANAGING DIRECTOR
CA R. MURALIDHAR
DIRECTOR (FINANCE)
Nagpur
27th May, 2022

K. J. SINGH
DIRECTOR
VINITA BAHRI
DIRECTOR
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
ASHUTOSH MISHRA
COMPANY SECRETARY

POST / COURIER

If undelivered please return to :

SUNFLAG IRON AND STEEL COMPANY LIMITED

Registered Office : 33, Mount Road, Sadar,

Nagpur - 440001 (Maharashtra) India

visit us at : www.sunflagsteel.com