



SUNFLAG IRON & STEEL CO. LTD.
THIRTY-SEVENTH (37TH) ANNUAL REPORT
2022 - 2023

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]
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 BHARDWAJ [Non-executive Director]
CA M. A. V. GOUTHAM
[Non-executive, Independent Director] - w.e.f. 12th August, 2022
Mr. TIRTHNATH JHA
[Non-executive, Independent Director] - w.e.f. 03rd September, 2022
Dr. E. R. C. SHEKAR [Non-executive, Independent Director]
Mr. KUMAR JITENDRA SINGH [Non-executive, Independent Director] } upto 28th September, 2022

CHIEF FINANCIAL OFFICER

Mr. S. MAHADEVAN IYER

COMPANY SECRETARY*

CS ASHUTOSH MISHRA (*Head Company Secretary w.e.f. 11th August, 2023)

STATUTORY AUDITORS

M/s. NSBP & CO.
CHARTERED ACCOUNTANTS, NEW DELHI

SECRETARIAL AUDITORS

M/s. MUKESH PARAKH & ASSOCIATES
COMPANY SECRETARIES, NAGPUR

COST AUDITORS

M/s. G. R. PALIWAL & COMPANY
COST ACCOUNTANTS, NAGPUR

INTERNAL AUDITORS

M/s. S. S. KOTHARI MEHTA & CO.
CHARTERED ACCOUNTANTS, NEW DELHI

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
TATA CAPITAL FINANCIAL SERVICES LIMITED

REGISTERED OFFICE

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

WORKS

WARTHI, BHANDARA ROAD, BHANDARA - 441905, MH, IN

WEBSITE & E-MAIL

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

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED, MUMBAI

C O N T E N T S

Particulars	Page No.
Notice of 37 th Annual General Meeting	1
Board's Report	16
Management Discussion and Analysis	35
Business Responsibility and Sustainability Report	39
Corporate Governance Report	62
Standalone Financial Statements & Reports	
· Independent Auditors' Report	84
· Balance Sheet	92
· Statement of Profit and Loss	93
· Cash Flow Statement	94
· Statement of Changes in Equity	95
· Accounting Policies and Notes forming part of financial statements	96
Statement containing salient features of Financial Statements of Subsidiaries, Associate and Joint Venture Companies pursuant to Section 129(3) of the Companies Act, 2013	129
Consolidated Financial Statements & Reports	
· Independent Auditors' Report	130
· Balance Sheet	136
· Statement of Profit and Loss	137
· Cash Flow Statement	138
· Statement of Changes in Equity	139
· Accounting Policies and Notes forming part of financial statements	140

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-Seventh (37th) Annual General Meeting ('AGM')** of the Members of **Sunflag Iron and Steel Company Limited** will be held on **Thursday, the 21st day of September, 2023 at 12.00 P.M.** through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year 2022-23 ended 31st March, 2023, including, the Balance Sheet as at 31st March, 2023, Statement of Profit and Loss and Cash Flow for the Financial Year 2022-23, together with the Board's Report and Report of the Statutory Auditors thereon.
2. To appoint a director in place of Mr. Suhrit Bhardwaj (DIN - 02318190), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **Re-appointment of Mr. Anand Sadashiv Kapre (DIN - 00019530), as a Director (Category - Non-executive, Independent) of the Company for a fixed second term of three (3) 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. Anand Sadashiv Kapre (DIN - 00019530), who was appointed as a Director (Category - Non-executive, Independent) of the Company and who holds office up to 20th September, 2023 and who is eligible for re-appointment as well as 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 a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a fixed second term of consecutive three (3) years, from 21st September, 2023 till 20th September, 2026."

"FURTHER RESOLVED THAT the Committee and/or 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. **Re-appointment of Mr. Surendra Kumar Gupta (DIN - 00054836), as a Deputy Managing Director, designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 30th July, 2023.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force) and Articles 151 to 154 of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the re-appointment of Mr. Surendra Kumar Gupta (DIN : 00054836), as a Deputy Managing Director, designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 30th July, 2023 on the following terms and conditions including remuneration:

Remuneration : Basic Salary: Rs. 6,57,300/- (Rupees Six Lakh Fifty-seven Thousand Three Hundred only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time;

Allowances & Perquisites : House Rent Allowance @30% of the Basic Salary per month. Other allowances and perquisites as per the rules of the Company as applicable from time to time;

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

Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Surendra Kumar Gupta as a Deputy Managing Director of the Company, the payment of remuneration comprising of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Act, read with Schedule V to the Act."

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

5. **Re-appointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), as a Director (Technical), designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 14th August, 2023.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and / or re-enactment thereof for the time being in force) and Articles 151 to 154 of the

Articles of Association of the Company, approval of the Members be and is hereby accorded to the re-appointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), as a Director (Technical), designated Key Managerial Personnel of the Company, liable to retire by rotation, for a further period of three (3) years effective 14th August, 2023 on the following terms and conditions including remuneration:

- Remuneration** : Basic Salary: Rs. 4,21,600/- (Rupees Four Lakh Twenty-one Thousand Six Hundred only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time;
- Allowances & Perquisites** : House Rent Allowance @20% of the Basic Salary per month. Other allowances and perquisites as per the rules of the Company as applicable from time to time;
- Explanation** : *For the purpose of calculation of perquisites, in absence of anything to the contrary, the rules of the Company governing the employment of the Company will be applicable.*
- Minimum Remuneration** : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Ramchandra Vasant Dalvi as a Director (Technical) of the Company, the payment of remuneration comprising of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Act read with Schedule V to the Act."

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

6. **Approval for continuation of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), as a Chairman (Category - Non-executive Director & Promoter) of the Company, from non-rotational Director to a Director liable to retire by rotation, on the existing terms and conditions of appointment.**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Rules made there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the approval of the Members of the Company, be and is hereby accorded for continuation of Mr. Ravi Bhushan Bhardwaj (DIN - 00054700), as a Chairman (Category - Non-executive Director & Promoter) of the Company, from non-rotational Director to a Director liable to retire by rotation, on the existing terms and conditions of appointment as recommended by the Nomination and Remuneration Committee and the Board of Directors of Company."

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

7. **Approval for payment of remuneration by way of commission, not exceeding a sum equivalent to one percent (1%) of the net profit of the Company per annum to be distributed amongst all the Non-executive Director/s of the Company for the period of five (5) financial years i.e. from the financial year 2023-24 till 2027-28.**

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

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ['the Act'] read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s and / or re-enactment/s thereof for the time being in force), Article 130 of the Articles of Association of the Company and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the payment of remuneration by way of commission, not exceeding a sum equivalent to one per cent (1%) of net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst all the Non-executive Director/s of the Company, as may be determined by the Board of Directors of the Company, from time to time, in compliance of the applicable provisions of the Act, read with the rules made there under and the Listing Regulations (as amended), subject to that no single Non-executive Director of the Company, be paid, a sum exceeding fifty percent (50%) of total annual remuneration payable to all the Non-executive Director/s of the Company, for the time being in force, for a period of five (5) financial years i.e. from the financial year 2023-2024 till 2027-2028."

8. **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/- (₹ 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 2023-24, to M/s. G. R. Paliwal & Company, Cost Accountants, Nagpur (Firm Registration No. 100058), whose appointment as the Cost Auditors of the Company, for the Financial Year 2023-24, 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
11.08.2023

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

NOTES:

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, CIRCULAR NO. 02/2022 DATED MAY 05, 2022 AND CIRCULAR NO. 10/2022 DATED DECEMBER 28, 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; SEBI/HO/CFD/CMD2/CIR/P/2022/62 DATED MAY 13, 2022 AND SEBI/HO/CFD/PoD-2/P/CIR/2023/4 DATED JANUARY 5, 2023 (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 AFORESAID MCA AND SEBI CIRCULARS, THE 37TH AGM OF THE COMPANY SHALL BE CONDUCTED THROUGH VC / OAVM.

1. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of Special Business under Item No. 3 to 8 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. However, this AGM is being held pursuant to the MCA 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 this 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 Act and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement can send request by an email to investor@sunflagsteel.com.
4. The Register of Members and Share Transfer Books of the Company, will remain closed, from **Saturday, the 9th September, 2023 to Thursday, the 21st September, 2023 (both days inclusive) for the purpose of 37th 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 Thursday, the 14th September, 2023. 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 and SEBI Circulars, the Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories. Members may note that the Notice and Annual Report 2022-23 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.
Members 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. Members 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, Members / 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 certificates, 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 11,14,37,747 Equity Shares (61.83%) of the total Issued, Subscribed and Paid-up Share Capital of the Company, have already been dematerialized as on 31st March, 2023.

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 members 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 28th September, 2022 (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 2022-23 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 37th 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 Sunday, 17th September, 2023 at 09:00 A.M. and ends on Wednesday, 20th September, 2023 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. Thursday, the 14th September, 2023, 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 14th September, 2023.


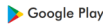


How do I vote electronically using NSDL e-Voting system?

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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on 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. <p style="text-align: right;">NSDL Mobile App is available on</p> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on 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.</p>

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

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

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

B) Login Method for 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?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

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

5. 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.

- 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.
- 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.
- 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. **14th September, 2023**, 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. **14th September, 2023**, 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 e mail ids for e-voting for the resolutions set out in this notice:

- 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.
- 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.**
- 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 :

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.
- 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 :

- 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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.
- 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.
- 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 37th Annual General Meeting in a fair and transparent manner.
- 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 37th Annual General Meeting of the Company.
- The results of voting shall be declared within 48 hours of the conclusion of the 37th 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. Anand Sadashiv Kapre (DIN - 00019530) was appointed as a Director (Category - Non-executive, Independent) of the Company at the Thirty-fourth (34th) Annual General Meeting held on 21st September, 2020 for a first fixed term of consecutive three (3) years i.e. from 21st September, 2020 to 20th September, 2023.

Section 149(10) of the Companies Act, 2013 ('the 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 Members of 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. Anand Sadashiv Kapre as a Director (Category - Non-executive, Independent) of the Company, not liable to retire by rotation, for a second fixed term of consecutive three (3) years i.e. from 21st September, 2023 till 20th September, 2026.

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 self-declarations from Mr. Anand Sadashiv Kapre that :

- i. 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.
- ii. he was or is not disqualified from being appointed as a Director in terms of Section 164 of the Act, and he has given his consent to act as a Director of the Company.
- iii. 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 of the Act, proposing the candidature of Mr. Anand Sadashiv Kapre for the office of a Director (Category - Non-executive, Independent) of the Company, to be appointed as such under the provisions of Section 149 of the Act.

Pursuant to Regulation 17 (1A) of Listing Regulations, no Company shall appoint a person or continue the directorship of any person as a Non-executive Director who has attained the age of seventy-five years unless the appointment/continuation is approved by the Members by way of Special Resolution. Mr. Anand Sadashiv Kapre is 01.05.1949 born and will attain the age of Seventy-five years during his second tenure.

Mr. Anand Sadashiv Kapre 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. Anand Sadashiv Kapre fulfils the conditions for reappointment as a Director (Category - Non-executive, Independent) 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. Anand Sadashiv Kapre, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of Board Committees and other requisite details, pursuant to the provisions of the Listing Regulations, and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at the forthcoming 37th Annual General Meeting, has been given in the annex to this Notice. Being appointee, Mr. Anand Sadashiv Kapre, 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 reappointment. Except Mr. Anand Sadashiv Kapre, 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 reappointment (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 37th Annual General Meeting of the Company.

Keeping in view the vast experience and knowledge of Mr. Anand Sadashiv Kapre, 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:

Mr. Surendra Kumar Gupta (DIN - 00054836), aged about 74 years, qualified as B.E. (Mechanical) and holding Diploma in Business Management, working with the Company since 1992, is having overall experience of about 43 years in Steel and Steel making industry.

He was reappointed by the Members of the Company at the 34th Annual General Meeting held on 21st September, 2020 in terms of recommendation of the Nomination and Remuneration Committee and the Board of Directors vide their respective meetings held on 26th June, 2020, as a Deputy Managing Director of the Company for a period of three (3) years effective 30th July 2020. Accordingly, his existing term expired on 29th July, 2023.

Mr. Surendra Kumar Gupta is presently looking after and responsible for the overall operations of the Company's Steel Plant at Warthi, Bhandara Road in the state of Maharashtra and also mining activities of the Company.

Based on the performance evaluation of the Deputy Managing Director, his unstinted efforts and wide contributions made in the progress of

the Company, valuable contributions made by him in the strategic areas of the Company and considering his knowledge of various aspects relating to the Company's affairs and long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 54th meeting held on 29th May, 2023, the Board at its 193rd Meeting held on 29th May, 2023 considered that the continued association of Mr. Surendra Kumar Gupta would be beneficial to the Company and it is desirable to continue to avail his services as a Deputy Managing Director of the Company.

Further as per Section 196(3) of the Companies Act, 2013 ('the Act'), no Company shall appoint or continue the employment of any person as a Managing Director, Whole-time Director or Manager who is below the age of twenty-one years or has attained the age of seventy years unless the appointment/continuation is approved by the Members by way of Special Resolution. As Mr. Surendra Kumar Gupta is 16.08.1948 born and has already attained the age of Seventy (70) years, his appointment requires the approval of Members by way of Special Resolution in the General Meeting.

Accordingly, the Board of Directors at its aforesaid meeting held on 29th May, 2023, considered and approved his re-appointment as a Deputy Managing Director, designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of three (3) years effective 30th July, 2023, subject to approval of the Members at the ensuing 37th Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites as stated below:

a) Remuneration : Basic Salary: Rs. 6,57,300/- (Rupees Six Lakh Fifty-seven Thousand Three Hundred only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time;

b) Allowances & Perquisites : House Rent Allowance @30% of the Basic Salary per month. Other allowances and perquisites as per the rules of the Company as applicable from time to time;

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

c) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Surendra Kumar Gupta as a Deputy Managing Director of the Company, the payment of remuneration comprising of salary and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act, and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Act, read with Schedule V to the Act.

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

Mr. Surendra Kumar Gupta is not disqualified from being re-appointed as a Deputy Managing Director of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Deputy Managing Director of the Company. The Company has also received a self-declaration from Mr. Surendra Kumar Gupta, to the effect that he was or is not debarred from holding the office of 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 notice in writing from a Member under Section 160 of the Act, proposing the candidature of Mr. Surendra Kumar Gupta, as a Deputy Managing Director of the Company.

The Board having considered his qualifications, experience and responsibilities recommends, the resolution at Item No. 4 of the Notice related to the re-appointment of Mr. Surendra Kumar Gupta as a Deputy Managing Director of the Company for a further period of three (3) years effective 30th July, 2023, for approval of the Members by way of Special Resolution in the interest of the Company.

The above may be treated as the written memorandum setting out the terms and conditions including remuneration related to the re-appointment of Mr. Surendra Kumar Gupta, as a Deputy Managing Director of the Company under Section 190 of the Act.

A brief profile of Mr. Surendra Kumar Gupta, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of the Board Committees and other requisite details, pursuant to the provisions of the Listing Regulations, and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at the forthcoming 37th Annual General Meeting, has been given in the annex to this Notice.

Being appointee, Mr. Surendra Kumar Gupta is deemed to be interested or concerned in the Resolution set out at Item No. 4 of the Notice with regard to his appointment. Except for himself, 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.

ITEM NO. 5 :

Mr. Ramchandra Vasant Dalvi (DIN - 00012065), aged about 72 years, graduated as B. Tech (Hons) in Metallurgical Engineering from the IIT, Mumbai. Thereafter, he joined various Steel Industries viz Mukand Limited (Year 1972-2001) and Facor Steels Limited (Year 2001-2011) 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 an Executive Director (Works) and currently working as a Director (Technical) of the Company.

Mr. Ramchandra Vasant Dalvi having good technical and administrative capabilities with team leadership, contributed in the overall growth of the Company through prudent technical knowledge. He was appointed by the Members of the Company at the 34th Annual General Meeting

held on 21st September, 2020 in terms of recommendations of the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 14th August, 2020, as the Whole-time Director, designated as an Executive Director (Works) of the Company for a period of three (3) years effective 14th August, 2020. Further the Board redesignated him as a Director (Technical). His existing term expires on 13th August, 2023.

Based on the performance evaluation of Director (Technical), his unstinted efforts and wide contributions made in the progress of the Company and considering his knowledge of various aspects relating to the operations and technical affairs of the Company, long experience and as per the recommendation of the Nomination and Remuneration Committee of the Board at its 55th meeting held on 11th August, 2023, the Board at its 194th meeting held on 11th August, 2023 considered that the continued association of Mr. Ramchandra Vasant Dalvi would be beneficial to the Company and it is desirable to continue to avail his services as a Director (Technical) of the Company.

Further as per Section 196(3) of the Companies Act, 2013 ('the Act'), no Company shall appoint or continue the employment of any person as a Managing Director, Whole-time Director or Manager who is below the age to twenty-one years or has attained the age of seventy years unless the appointment/continuation is approved by the Members by way of Special Resolution. As Mr. Ramchandra Vasant Dalvi is 07-12-1950 born and has already attained the age of Seventy (70) years, his appointment requires the approval of Members by way of Special Resolution in the General Meeting.

The Board of Directors at its 194th meeting held on 11th August, 2023, considered and approved his re-appointment as a Director (Technical), designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of three (3) years effective 14th August, 2023, subject to approval of the Members at the ensuing 37th Annual General Meeting of the Company by way of Special Resolution, on the remuneration, allowances and perquisites as stated below:

a) Remuneration : Basic Salary: Rs. 4,21,600/- (Rupees Four Lakh Twenty-one Thousand Six Hundred only) per month, with suitable annual increase as may be decided by the Committee and/or the Board of Directors from time to time ;

b) Allowances & Perquisites : House Rent Allowance @ 20% of Basic Salary per month. Other allowances and perquisites, reimbursement of business expenses, and all other benefits / allowances as per rules of the Company;

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

c) Minimum Remuneration : In the event of loss or inadequacy of profits in any Financial Year during the currency of tenure of service of Mr. Ramchandra Vasant Dalvi, as Director (Technical) of the Company, the payment of remuneration comprising of salary, perquisites and commission shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Act, and be paid as the minimum remuneration;

with an authority to the Nomination and Remuneration Committee and/or the Board of Directors to modify / alter / revise the terms of re-appointment including payment of remuneration thereof, or any other terms and conditions as it may deem fit and proper, from time to time, subject to the provisions of the Act, read with Schedule V to the Act.

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

Mr. Ramchandra Vasant Dalvi is not disqualified from being re-appointed as a Director (Technical) of the Company in terms of Section 164 of the Act and has submitted his consent to act as a Director (Technical) of the Company. The Company has also received a self-declaration from Mr. Ramchandra Vasant Dalvi, to the effect that he was or is not debarred from holding the office of 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 notice in writing from a Member under Section 160 of the Act, proposing the candidature of Mr. Ramchandra Vasant Dalvi, as a Director (Technical) of the Company.

The Board having considered his qualifications, experience and responsibilities, recommends the resolution at Item No. 5 of the Notice related to the re-appointment of Mr. Ramchandra Vasant Dalvi as a Director (Technical) of the Company for a further period of three (3) years effective 14th August, 2023, for approval of the Members by way of Special Resolution in the interest of the Company.

The above may be treated as the written memorandum setting out the terms and conditions including remuneration related to the re-appointment of Mr. Ramchandra Vasant Dalvi, as a Director (Technical) of the Company under Section 190 of the Act.

A brief profile of Mr. Ramchandra Vasant Dalvi, nature of his expertise in specific functional areas and names of Companies in which he holds directorships and memberships / chairmanships of the Board Committees and other requisite details, pursuant to the provisions of the Listing Regulations, and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at the forthcoming 37th Annual General Meeting, has been given in the annex to this Notice.

Being appointee, Mr. Ramchandra Vasant Dalvi is deemed to be interested or concerned in the Resolution set out at Item No. 05 of the Notice with regard to his appointment. Except for himself, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

ITEM NO. 6:

SEBI vide Second Amendment dated 14th June, 2023 to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] provided that the continuation of a director serving on the Board of Directors of a listed entity other than Whole-Time

Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013 ('the Act'), shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment.

Since Mr. Ravi Bhushan Bhardwaj (DIN – 00054700) Chairman of the Company is a Non-executive and Non-rotational Director, taking into consideration of the above amendment to the Listing Regulations and the requirement of Section 152 (6) of the Act related to minimum Directors required whose period of office is liable to determination by retirement by rotation, continuation of Mr. Ravi Bhushan Bhardwaj as the rotational Director subject to approval of shareholders was thought prudent by your Board of Directors.

Pursuant to Regulation 17(1A) of the Listing Regulations, no Company shall appoint or continue the directorship of any person as a Non-executive Director who has attained the age of Seventy-five years unless a Special Resolution is passed to that effect and the said appointment/continuation is approved by the members by way of Special Resolution. As Mr. Ravi Bhushan Bhardwaj is 23.10.1943 born and has already attained the age of Seventy-five (75) years, his continuation as a Non-executive Rotational Director requires approval by the members by way of Special Resolution in the General Meeting.

In the opinion of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Ravi Bhushan Bhardwaj is a person of high repute, integrity and have rich and varied experience and played an exceptional role in the overall growth of Sunflag Steel since his appointment effective 1st October 1998.

Accordingly, the Board of Directors of the Company at its 194th Meeting held on 11th August, 2023, on the recommendation of the Nomination and Remuneration Committee at its meeting held on 11th August 2023, has approved the continuation of Mr. Ravi Bhushan Bhardwaj, as the Non-executive Chairman of the Company, from a non-rotational Director to a Director liable to retire by rotation, till the cessation as a Director of the Company, subject to approval of the Members at the ensuing 37th Annual General Meeting of the Company by way of Special Resolution.

Except, Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman, being the appointee, together with Mr. Pranav Bhardwaj, Managing Director and Mr. Suhrit Bhardwaj, Non-executive Director, of the Company, being the relatives (Sons) of the appointee, none of the other Director/s, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this Special Resolution set out in Item No. 6 of the Notice. The Board of Directors of the Company, recommends the Special Resolution for approval of the Members.

ITEM NO. 7 :

The Members are apprised that pursuant to Regulation 17(6) (a & b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the approval of Members in General Meeting is required to enable the Board of Directors to recommend the payment of any fees or compensation to the Non-executive Directors including the Independent Directors except where recommendation relates to the payment of sitting fees to the Non-executive Directors, if made within the limits prescribed under the Companies Act, 2013 ('the Act') for the payment of sitting fees without approval of Central Government. Further Regulation 17(6) (ca) of the Listing Regulations requires that the approval of the Members by Special Resolution shall be obtained every year, in which the annual remuneration payable to a single Non-executive Director exceeds fifty per cent of the total annual remuneration payable to all the Non-executive Directors, giving details of the remuneration thereof.

Members are further informed that, pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification/s and / or re-enactment/s thereof for the time being in force), Article 130 of the Articles of Association of the Company and the provisions of the Listing Regulations, the Members of the Company, at its 32nd Annual General Meeting held on 25th September, 2018, have considered and approved, the payment of remuneration by way of commission, not exceeding a sum equivalent to one per cent (1%) of net profit of the Company per annum be paid to and distributed amongst all the Non-executive Director/s of the Company, as may be determined by the Board of Directors of the Company from time to time, calculated in accordance with the provisions of Section 198 of the Act, subject to the condition that no single Non-executive Director be paid a sum exceeding fifty percent (50%) of the total annual remuneration payable to all the Non-executive Directors of the Company for the period of five (5) financial years, effective from Financial Year 2018-19 till Financial Year 2022-23.

As the term of the above approval is up to the Financial Year 2022-23, the Nomination and Remuneration Committee as well as the Board of Directors of the Company, at their respective meeting/s held on 11th August 2023, considered, approved and recommended for the approval of the Members the payment of remuneration by way of commission, not exceeding a sum equivalent to one per cent (1%) of net profit of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst all the Non-executive Director/s of the Company, as may be determined by the Board of Directors of the Company from time to time, in compliance of the applicable provisions of the Act, read with the rules made there under and the Listing Regulations (as amended), subject to, no single Non-executive Director of the Company, be paid, a sum exceeding fifty percent (50%) of total annual remuneration payable to all the Non-executive Director/s of the Company, for the time being in force, for a period of five (5) financial years i.e. from the financial year 2023-2024 till 2027-2028.

As such, the Board of Directors of the Company recommends the resolution set out in Item No. 7 of the Notice for consideration and approval of the Members of the Company, by way of an Ordinary Resolution, at the ensuing Thirty-seventh (37th) Annual General Meeting of the Company in the interest of the Company.

Except the proposed direct beneficiaries namely, Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman; CA M.A.V. Goutham, Mr. Tirthnath Jha, CA Vinita Bahri, CA Neelam Kothari, Mr. Sajiv Dhawan, and Mr. Anand S. Kapre, Non-executive, Independent Directors and Mr. Suhrit Bhardwaj, Non-executive, Non-Independent Director of the Company and Mr. Pranav Bhardwaj, Managing Director, being the relatives of the proposed direct beneficiary Mr. Ravi Bhushan Bhardwaj, none of the other Director/s, Key Managerial Personnel of the Company, and their relatives are, in any way, concerned or interested, financially or otherwise, in this Ordinary Resolution.

ITEM NO. 8 :

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 (Firm Registration No. 100058), as the Cost Auditors of the Company, for the Financial Year 2023-24, 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 the Companies (Audit and Auditors) Rules, 2014 (as amended), the remuneration of the Cost Auditors as recommended by the Board of Directors, is subject to ratification by the Members of the Company at the ensuing 37th 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, either financially or otherwise, in this Resolution. The Board of Directors of the Company recommends the Ordinary Resolution at Item No. 8 of the Notice for approval of the Members.

Nagpur
11.08.2023

By Order of the Board
CS Ashutosh Mishra
Company Secretary
M. No. ACS - 23011

ANNEXURE**Details of Directors seeking appointment/re-appointment at the 37th 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. Suhrit Bhardwaj
Director Identification Number (DIN)	02318190
Brief Resume / Experience	Mr. Suhrit Bhardwaj, age 48 years, is 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.
Nationality	Kenyan
Date of Birth/Age	05 th May, 1975/ 48 Years
Date of Appointment	27 th March, 2017
Expertise in specific functional area	Management, Planning and Production
Qualification	Graduated as B. Sc. majoring in Chemistry and Business Management
Date of First Appointment on Board	27 th July, 2011
Terms and conditions of appointment or re-appointment	Re-appointment as a Director (Category - Non-executive Non-Independent, Promoter), liable to retire by rotation on the existing terms and conditions.
Details of remuneration proposed to be paid and the remuneration last drawn	Nil
Shareholding in the Company	1,32,17,398 Equity Shares (7.33%)
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Suhrit Bhardwaj, Director (Category - Non-executive Non-Independent, Promoter) is the brother of Mr. Pranav Bhardwaj, Managing Director and son of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
No. of Board Meeting attended during the Financial Year 2022-23	2/5 (Attended/ Held)
Name of the other Companies in which Director	Supra Corporation Limited
Listed entities from which has resigned as Director in the past three years	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	Not applicable.

Name of Director	Mr. Anand Sadashiv Kapre
Director Identification Number (DIN)	00019530
Brief Resume / Experience	Mr. Anand Sadashiv Kapre, an Indian National, age 74 years, is a graduate from IIT Madras as B. Tech. (Electrical) and L.L.B from Mumbai University. 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 has specific expertise in the fields of Finance, Banking, Law, Economics and Trade.
Nationality	Indian
Date of Birth/Age	1 st May, 1949 / 74 Years
Date of Appointment	21 st September, 2023
Expertise in specific functional area	Finance, Banking, Law, Economics and Trade
Qualification	Graduate from IIT Madras as B. Tech. (Electrical), LLB
Date of First Appointment on Board	12 th November, 2019
Terms and conditions of appointment or re-appointment	Mr. Anand Sadashiv Kapre will serve for a second term of three (3) years, from 21st September, 2023 till 20 th September, 2026.
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 and Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee. Last drawn remuneration: Rs. 3,71,000/- (Sitting fees including Commission - FY 2022-23).
Shareholding in the Company	26 Equity Shares
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Not related
No. of Board Meeting attended during the Financial Year 2022-23	5 / 5 [Attended / Held]
Name of the other Companies in which Director	He is a Director in FACOR Alloys Limited and FACOR Steels Limited (Listed Entities)
Listed entities from which has resigned as Director in the past three years	Responsive Industries Limited – 25/08/2022
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	He is a member of the Nomination and Remuneration Committee, Share Transfer Committee and Project Monitoring Committee of the Company. Further he is a Member of the Audit Committee and the Nomination and Remuneration Committee of FACOR Alloys Limited.
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 and quality, knowledge of mining, legal and management with expertise in finance, taxation, banking and risk management required for the role of an Independent Director.

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 43 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 Mining activities of the Company.
Nationality	Indian
Date of Birth/Age	16 th August, 1948/ 74 Years
Date of Appointment	30 th July, 2023
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-appointment as a Deputy Managing Director for the period of three (3) years from 30th July, 2023 to 29 th July 2026 on the terms and conditions as set out in the Notice of 37 th Annual General Meeting.
Details of remuneration proposed to be paid and the remuneration last drawn	Proposed Remuneration as per Notice of 37 th Annual General Meeting of the Company. Remuneration drawn during FY 2022-23 is Rs. 1,46,22,798/-
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 2022-23	5/5 (Attended/ Held)
Name of the other Companies in which Director	He is a Director 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.
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	He is the Chairman of the Risk Management Committee and a Member of the Share Transfer Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Monitoring 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. Ramchandra Vasant Dalvi
Director Identification Number (DIN)	00012065
Brief Resume / Experience	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) and Facor Steels Limited (Year 2001-2011) and gained rich and varied experience in steel and steel making. He held various positions from Graduate Engineer Trainee to Chief Executive. He was 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. 14 th August, 2017 and presently, designated as Director (Technical) of the Company.
Nationality	Indian
Date of Birth/Age	7 th December, 1950/ 72 Years
Date of Appointment	14 th August, 2023
Expertise in specific functional area	Planning, Engineering and Production
Qualification	B. Tech (Hons) in Metallurgical Engineering from Indian Institute of Technology (IIT), Mumbai.
Date of First Appointment on Board	14 th August, 2017
Terms and conditions of appointment or re-appointment	Re-appointment as a Director (Technical) for the period of three (3) years from 14 th August, 2023 to 13 th August, 2026 on the terms and conditions as set out in the Notice of 37 th Annual General Meeting.
Details of remuneration proposed to be paid and the remuneration last drawn	Proposed Remuneration as per Notice of 37 th Annual General Meeting of the Company. Remuneration drawn during FY 2022-23 is INR 1,05,95,215/-.
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 2022-23	5/5 (Attended/ Held)
Name of the other Companies in which Director	He is a Director in Sunflag Foundation and Sanika Hospitality (India) Private Limited
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of Board of Directors of the Company or of other Listed Company	He is a member of the Corporate Social Responsibility (CSR) Committee and the 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. Ravi Bhushan Bhardwaj
Director Identification Number (DIN)	00054700
Brief Resume / Experience	Mr. Ravi Bhushan Bhardwaj, age 79 years, Chairman [Category – Non-executive Director & 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 1 st October, 1998. Subsequently, on ceasing as the Managing Director of the Company, effective 12 th August, 2015, continued as the Non-executive Vice Chairman and then, as a Non-executive Chairman of the Company, effective 12 th December, 2016.
Nationality	Kenyan
Date of Birth/Age	23 rd October, 1943/ 79 Years
Date of Appointment	12 th December, 2016
Expertise in specific functional area	Planning, Production, Legal and Projects
Qualification	Graduate
Date of First Appointment on Board	1 st October, 1998
Terms and conditions of appointment or re-appointment	Continuation as the Non-Executive Chairman of the Company, from a Non-rotational Director to a Director liable to retire by rotation on the existing terms and conditions.
Details of remuneration proposed to be paid and the remuneration last drawn	He will get Profit based Commission, as may be approved by the Board, based on the recommendation of the Nomination and Remuneration Committee. Remuneration by way of Commission drawn during FY 2022-23 is INR 1,44,93,684/-.
Shareholding in the Company	Nil
Relationship with other Director, Manager and other Key Managerial Personnel of the Company	Mr. Pranav Bhardwaj, Managing Director and Mr. Suhrit Bhardwaj, Director (Category - Non-executive Non-Independent, Promoter) are the sons of Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.
No. of Board Meeting attended during the Financial Year 2022-23	5 / 5 [Attended / Held]
Name of the other Companies in which Director	He is Director in Sunflag Power Limited, Supra Corporation Limited and Haryana Television Limited.
Listed entities from which has resigned as Director in the past three years	Nil
Chairman / Member of the Committee of the Board of Directors of the Company or of other Listed Company	He is the Chairman of the Corporate Social Responsibility (CSR) Committee, Share Transfer Committee and Stakeholders' Relationship Committee and a Member of the Nomination and Remuneration Committee.
Skills and capabilities required for the role of independent director and the manner in which the proposed person meets such requirements	Not applicable.

BOARD'S REPORT

To,
The Members,

Your Directors take pleasure in presenting the 37th Annual Report along with the Audited Financial Statements of the Company for the Financial Year 2022-23 ended 31st March, 2023.

The steel sector has been benefited from India's strong economic growth, and industries such as automotive and consumer durables coupled with Government's spending on infrastructure have witnessed more steel consumption. Consequently, the market demand for Sunflag Steel during the Financial year ended 31st March, 2023 remained mostly stable in the domestic market, however, export continued to show dampening growth owing to overall reduction in global demand for steel. Further the Company was able to overcome delays in execution of expansion projects and successfully commissioned during the year.

During the Financial Year 2022-23, the total income increased by 29.33% with marginal increase of 2.40% in profit before exceptional items compared to previous financial 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	
		2022-23	2021-22
1	Total Income	3,49,544	2,70,277
2	Total Expenditure	3,04,259	2,29,992
3	Gross Profit	45,285	40,285
4	Finance Cost	8,110	4,225
5	Profit before Depreciation	37,175	36,060
6	Depreciation	8,065	7,631
7	Profit before exceptional and extraordinary items and Tax	29,110	28,429
8	Exceptional Items (*)	1,19,286	-
9	Profit Before Tax	1,48,396	28,429
10	Tax Expenses and Provisions	36,964	6,789
11	Net profit from ordinary activities after tax	1,11,432	21,640
12	Other comprehensive Income (net of taxes) #	47,795	(94)
13	Profit After Tax	1,59,227	21,546
14	Earnings Per Share (EPS) [Basic and Diluted] in ₹	61.83	12.01

* The exceptional items are pertaining to settlement of pending dispute with Lloyds Metals and Energy Limited (LMEL), through Arbitration in pursuance to the Arbitral Award dated 22.04.2022 read with Additional / Supplementary Arbitral Award dated 28.04.2022. The settlement has been made by LMEL in the form of issue of 6,00,00,000 (Six Crore) Optionally Fully Convertible Debentures (OFCD's) to the Company and upon exercising conversion option by the Company, the OFCD's were converted into 6,00,00,000 (Six Crore) Equity Shares of LMEL.

Other Comprehensive Income (Net of Taxes) includes MTM gain on Equity Shares held by the Company in LMEL recognized at its fair value as at 31st March, 2023.

2. FINANCE

The Total Income of your Company for the Financial Year 2022-23 stood at ₹ 3,49,544 Lakh as compared to ₹ 2,70,277 Lakh of the previous Financial Year. Your Company has ended the Financial Year 2022-23 with a profit after tax from the ordinary activities of ₹ 1,11,432 Lakh considering an exceptional item of ₹ 1,19,286 Lakhs (₹ 89,264 Lakh Net of tax) pertaining to Company's past period claims on Lloyds Metals and Energy Ltd (LMEL), which has been settled through Arbitral Award dated 22.04.2022 read with Additional / Supplementary Arbitral Award dated 28.04.2022 as against the previous Financial Year's ₹ 21,640 Lakh. After taking into account the brought forward profit of ₹ 1,17,336 Lakh, your Company has carried forward an amount of ₹ 1,40,864 Lakh to the Balance Sheet.

3. DIVIDEND

The Company requires more funds through internal accruals to cope up with the terms and conditions of the lending banks and financial companies 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 and payment of additional taxes on compensation received by the Company vide Arbitration Award, your directors took a prudent decision to plough back the profits into the business and not to recommend any dividend for the Financial Year 2022-23.

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') has 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 2022-23 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, 2023.

6. MARKET SCENARIO

As of beginning of last quarter in the previous financial year ended 31st March, 2022, India was the second largest steel producers in the world.

In the past 10–12 years, India's steel sector has expanded significantly. Production has increased by 75% since 2008, while domestic steel demand has increased by almost 80%. The capacity for producing steel has grown concurrently, and the rise has been largely due to increased per capita consumption.

In FY22, the production of crude steel and finished steel stood at 133.596 MT and 120.01 MT, respectively. The consumption of finished steel stood at 105.751 MT in FY22. Between April-December 2022, India's finished steel consumption stood at 75.34 MT. In April-July 2022, the production of crude steel and finished steel stood at 40.95 MT and 38.55 MT respectively.

The annual production of steel is anticipated to exceed 300 million tonnes by 2030–2031. By 2030–31, crude steel production is projected to reach 255 million tonnes at 85% capacity utilisation achieving 230 million tonnes of finished steel production, assuming a 10% yield loss or a 90% conversion ratio for the conversion of raw steel to finished steel. With net exports of 24 million tonnes, consumption is expected to reach 206 million tonnes by the years 2030–2031. As a result, it is anticipated that per-person steel consumption will grow to 160 kg.

Sunflag is now looking forward to expand its market base in other segments viz. Aero space, nuclear, boiler where super alloy steel are consumed. Besides, the Company is also looking forward to acquire coal and iron ore mines with the aim to increase its business volume.

7. COMPANY'S OPERATIONS OR OVERALL WORKING PERFORMANCE

During the Financial Year 2022-23 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 2022-23	Financial Year 2021-22
1	Direct Reduction Plant (I + II)	1,13,529	95,700
2	Steel Melt Shop	4,08,809	4,89,481
3	Rolled Products	4,78,316	3,58,678
4	Mini Blast Furnace (Hot Metal)/ Pig Iron	3,68,725	3,72,631
5	Coal (Belgaon Coal Block)	1,92,680	1,66,400
6	Power Plant (Lakh kWh)	1,163.61	1,421.72

8. PROJECTS

Steel Plant:-

The Company during the year commissioned its Blooming mill and now operating at its minimum capacity in view of operational requirement for stabilization. Few approvals from customers for super alloy products have been received and accordingly the Company is now developing various grades of steel to cater to these customers.

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 Block 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 Block 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 (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 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 Balgoan (Deshpande), Tah. Warora, Dist. Chandrapur, Maharashtra	383.56	Coal	Underground Coal mine having estimated reserves of 8.152 million tons (MT) with extractable balance of about 5.537 MT.
2 (a)	Navegaon Manganese Mine at Village Navegaon, Tah. Mohadi, Dist. Bhandara, Maharashtra	15.90	Manganese Ore	As per order of the Government of Maharashtra State, Mantralaya Mumbai dated 23.03.2023, the Mining lease has been declared as lapsed.
2 (b)	Navegaon Manganese Mine at Village Navegaon, Tah. Mohadi, Dist. Bhandara Maharashtra	48.78	Manganese Ore	The Director of Geology and Mining, Government of Maharashtra vide letter No. MLV-B-576/2023/1322 dated 18.04.2023, informed the Company that since the matter of lapse of Lease is sub-judice before the Hon'ble Bombay High Court, Nagpur Bench at Nagpur, hence any order for operation of ML/PL leases will be as per the directions received from the Hon'ble High Court.
3	Warpani Manganese Ore Block at Village Warpani, Tah. Saoner, Dist. Nagpur, Maharashtra	1419.65	Manganese Ore	
4	Bande Iron Ore Block, at Village Bande, Tah. Ettapalli, Dist. Gadchiroli, Maharashtra	236.75	Iron Ore	
5	Kodalibad Iron and Manganese Ore Mine at Village - Kodalibad, Tah - Noamundi, Dist. - Singhbhum / Jharkhand	120.00	Iron and Manganese Ore	Deemed to be lapsed.
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 the Government of Maharashtra. The Mining plan has been approved. The public hearing for the grant of Environment Clearance was successfully completed on 23.06.2022. The application for the grant of Environmental and Forest clearance is under process.
7	Bhivkund Coal Block at Village-Nandgaon Settlement, Visapur & Ballarpur, Tahsil – Ballarpur, Dist- Chandrapur, Maharashtra	802.00	Coal	Received Vesting Order on 18.09.2021 and modified Mine plan and Mine closure plan have been approval by Nominated Authority on 28.02.2023. Terms of Reference (TOR) has been received for grant of Environment Clearance for peak rated capacity of 0.72 MTPA. Compliance of TOR is under process for the grant of Environmental Clearance.
8	Bajna Iron Ore Block at Village – Bajna, Tahsil- Baxwaha, District- Chhatrapur, Madhya Pradesh	96.00	Iron Ore	Declared successful bidder in the auction. Letter of Intent granted by Madhya Pradesh Government on 07.11.2022. Mandatory work for the approval of the Mine Plan and Mine Closure plan, Environment Clearance, Forest Clearance and Purchase of Forest Compensatory Afforestation Land is under process.

9. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the Financial Year 2022-23 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 2022-23 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 ('the Act'), the Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 36th Annual General Meeting held on 28th September, 2022, consented to the re-appointment of Mr. Surendra Kumar Gupta (DIN - 00054836), 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:

1. The Members of the Company, on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, at their 36th Annual General Meeting held on 28th September, 2022 have:
 - i. re-appointed Mr. Sajiv Dhawan (DIN - 00160085), as a Director (Category- Non-executive, Independent) of the Company, for a fixed second term of consecutive five (5) years i.e. from 27th September, 2022 till 26th September, 2027.
 - ii. appointed Mr. M.A.V. Goutham (DIN - 00101447), as a Director (Category- Non-executive, Independent) of the Company, for a fixed first term of consecutive three (3) years i.e. from 12th August, 2022 till 11th August, 2025.
 - iii. appointed Mr. Tirthnath Jha (DIN - 07593002), as a Director (Category- Non-executive, Independent) of the Company, for a fixed first term of consecutive three (3) years i.e. from 3rd September, 2022 till 2nd September, 2025.

In the opinion of the Board the above Independent Directors appointed/reappointed during the period under review are persons of integrity with due expertise and experience and have either exempted from the proficiency test or cleared the proficiency test.

2. Dr. E.R.C Shekar (DIN - 00013670) and Mr. Kumar Jitendra Singh (DIN - 00626836), Directors (Category- Non-executive, Independent) of the Company have ceased to be the Directors of the Company w.e.f. 28th September, 2022 due to completion of their second term as an Independent Directors of the Company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

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

1. Pursuant to Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended), Mr. Suhrit Bhardwaj (DIN: 02318190), Director [Category–Non-Independent, Non-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 37th Annual General Meeting in the interest of the Company.
2. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Act, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force) and the Listing Regulations, the Board of Directors at its 193rd Meeting held on 29th May, 2023, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board, has approved and recommended the reappointment of Mr. Surendra Kumar Gupta (DIN - 00054836), as the Deputy Managing Director (Category - Non-Promoter, Executive), designated Key Managerial Personnel of the Company liable to retire by rotation for a further period of three (3) years effective 30th July, 2023, in the interest of the Company.
3. Pursuant to provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Act, Schedule V to the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and/or re-enactment thereof for the time being in force) and the Listing Regulations, the Board of Directors at its 194th Meeting held on 11th August, 2023, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board has approved and recommended the re- appointment of Mr. Ramchandra Vasant Dalvi (DIN - 00012065), as the Director (Technical) (Category - Non-Promoter, Executive), designated Key Managerial Personnel of the Company liable to retire by rotation, for a further period of three (3) years effective 14th August, 2023, in the interest of the Company.
4. The first fixed term of Mr. Anand Sadashiv Kapre (DIN- 00019530), as a Director (Category – Non-executive, Independent) of the Company, is expiring on 20th September, 2023. Pursuant to Section 149, 152 of the Act, Schedule IV to the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended) and the Listing Regulations, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, recommends the re-appointment of Mr. Anand Sadashiv Kapre, as a Director (Category – Non-executive, Independent) not liable to retire by rotation, to hold the office for a fixed second term of consecutive three (3) years, from 21st September, 2023 till 20th September, 2026. The Company has received a self-declaration from Mr. Anand Sadashiv Kapre to the effect 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.

The Company has also received the self-declaration/s from Mr. Suhrit Bhardwaj, Mr. Anand Sadashiv Kapre, Mr. Surendra Kumar Gupta and Mr. Ramchandra Vasant Dalvi, inter-alia to the effect that, (i) they were/are not disqualified from being appointed as the Director of the Company in terms of the provisions of Section 164 of the Act and have submitted their consent to act as the Director of the Company; (ii) they were or are not debarred from holding the office of the 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 under Section 160 of the Act from Members proposing the candidatures of Mr. Anand Sadashiv Kapre, Mr. Surendra Kumar Gupta and Mr. Ramchandra Vasant Dalvi for the office of the Directors of the Company.

5. In view of change in the strength of the Board of the Company and second amendment dated 14th June, 2023 to the Listing Regulations, it is proposed to change the category of Mr. Ravi Bhushan Bhardwaj [DIN – 00054700], Non-executive Chairman of the Company from a Director not liable to retire by rotation to a Director liable to retire by rotation pursuant to the applicable provisions of the Act read with the Rules made there under.

Except the above, there is no change in the composition of the Board of Directors during the period under review.

12. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23 under review, 5 meetings of the Board of Directors of the Company were held on (i) 29th April, 2022, (ii) 27th May, 2022, (iii) 12th August, 2022, (iv) 12th November, 2022 and (v) 7th February, 2023.

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 Act, is required by the Company and accordingly, such accounts and records are made and maintained by the Company for the Financial Year 2022-23.

15. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Listing Regulations, has introduced the new reporting on Environmental, Social & Governance (ESG) parameters called the Business Responsibility and Sustainability Report (BRSR), in place of the Business Responsibility Report (BRR). The BRSR reporting is applicable to the top 1000 listed entities (by market capitalisation) on a mandatory basis from FY 2022-23.

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Company has prepared the Business Responsibility and Sustainability Report for the year 2022-23, which forms a part of this Annual Report and also disseminated on the Company's website and can be accessed at www.sunflagsteel.com.

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, Project Monitoring Committee and Sub-committee of the Board, pursuant to the provisions of the Act, read with the rules made there under and the 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, 2023, the Board had twelve members, four of whom are executive directors, two non-executive and non-independent directors and six 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 Act, 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.sunflagsteel.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 Independent Auditors' Report (Standalone and Consolidated) submitted by M/s. NSBP & Co., Chartered Accountants, New Delhi, the Statutory Auditors to the Members of the Company for the Financial Year 2022-23 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 2022-23 under review :

- a) there has been no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Act, 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 2022-23 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 (Firm Registration No. 100058), as the Cost Auditors of the Company, for the Financial Year 2023-24 and has also recommended their remuneration to the Members of the Company for their ratification at the ensuing 37th Annual General Meeting of the Company.

The said Cost Auditors have furnished a Certificate of their eligibility for appointment pursuant to Section 141(3)(g), Section 148(5) of the Act, 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 within the meaning of Section 141(3) of the Act.

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 2021-22 was filed vide SRN F23289630 dated 31st August, 2022.

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 2022-23, 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 2022-23.

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 194th Meeting held on 11th August, 2023 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 2023-24.

IV. INTERNAL AUDITORS AND THEIR REPORT

M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 000756N) were appointed 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. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi, from time to time, during the Financial Year 2022-23 put before the Audit Committee of the Company, do not contain any adverse remarks and qualifications and they are self-explanatory and do not call for any further explanation/s by the Company.

Further, the Board of Directors at its meeting held on 7th February, 2023, on the recommendation of the Audit Committee, has re-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 2023-24.

20. PERSONNEL / PARTICULARS OF EMPLOYEES

The information required to be provided pursuant to the provisions of Section 197 of the Act, 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 2022-23 ended on 31st March, 2023:

Executive Director(s)	Ratio to Median remuneration of employees
Mr. Pranav Bhardwaj - Managing Director	32.99: 1
Mr. Surendra Kumar Gupta - Deputy Managing Director	21.45: 1
CA Rambhatla Muralidhar - Director (Finance)	17.31: 1
Mr. Ramchandra Vasant Dalvi – Director (Technical)	15.54: 1

- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year 2022-23 ended on 31st March, 2023:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% Increase (decrease) in remuneration over previous Financial Year
Mr. Pranav Bhardwaj - Managing Director	4.03
Mr. Surendra Kumar Gupta - Deputy Managing Director	3.70
CA Rambhatla Muralidhar - Director (Finance)	5.78
Mr. Ramchandra Vasant Dalvi - Director (Technical)	1.77
CS Ashutosh Mishra - Company Secretary	7.94
S. Mahadevan Iyer – Chief Financial Officer	8.43

- c) The percentage increase in the median remuneration of employees in the Financial Year 2022-23 ended 31st March, 2023: **18.69%**.
- d) The number of permanent employees on the rolls of Company as on 31st March, 2023: **1140**.
- 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 8.31%. The percentage increase in salary of Managerial personnel during the period was 4.52%.
- 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 Act, read with rule 5(2) and 5(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, 2023 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	49, B.Sc. (Chemistry & Business Management)	24.04	Salary - 224.84 Comm - 540.96 ission	Not Applicable	01-12-1998	0.89 (1612140 shares)
2.	Mr. Surendra Kumar Gupta	Deputy Managing Director	74, PGD (DBM), B.E. (M) D. Engg. (M)	55.07	146.23	Coventry Springs	05-09-1992	-
3.	CA R. Muralidhar	Director (Finance)	68, M.Com., C.A.	43.02	117.98	BALCO	06-10-1993	-
4.	Mr. Ramchandra Dalvi	Director (Technical)	72, B.Tech (Metallurgy)	40.08	105.95	Sanika Hospitality-Own Venture	03-08-2015	-
5.	Mr. D. D. Khonde	Chief Operating Officer	48, B.Tech (Mech), PGPBA, D. Engg(CHE)	27.04	89.47	PT. Gunung Garuda, Indonesia	01-12-2012	-
6.	Mr. Jitendra Singh	Chief Marketing Officer	58, M.Tech (MET), B.E. (MET)	34.03	89.45	Punjab Concast Steels	21-12-1998	-
7.	Mr. S. K. Chanda	Head-Marketing	54, MBA (MKT), B.E. (MET)	30.07	81.57	Mukand Ltd.	04-09-2003	0.0001 (200 Shares)
8.	Mr. D.S. Kalne	VP (Finance)	67, C.A.	39.10	67.62	Orient Cordage Pvt. Ltd.	01-06-1989	-
9.	Mr. S. Mahadevan	Chief Financial Officer	57, MBA (Finance), PG Diploma in Financial Management.	38.00	65.04	Safari Sales Industries Ltd.	14-09-1990	0.0004 (800 Shares)
10.	Mr. Malepati Thejo Vardhan	Business Head - Super Alloys & Forging	52, BE (PROD)	28.08	61.38	Canpack India Pvt. Ltd.	20-10-2021	-

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

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 Act, 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 ('ACT')

The particulars of Loans, Guarantees or investments given or made by the Company under Section 186 of the Act, are disclosed in the Notes to the Financial Statements of the Company for the Financial Year 2022-23.

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

- 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 Act, 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 2022-23
Haryana Television Limited [Associate Enterprise]	Ordinary course of Business and at Arm's length	Continuing	Refundable Security Deposit	26.06.2020 and ratified on 29.05.2021 27.05.2022 & 29.05.2023	₹ 28,20,000/- (Continuing from Previous years)
Haryana Television Limited [Associate Enterprise]	Ordinary course of Business and at Arm's length	Continuing	Lease Rent paid for Company's Office and Godown at Faridabad	26.06.2020 and ratified on 29.05.2023	Rent ₹ 56,99,400/- for the FY 2022-23
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2022-23	Sale of Wire Rods	10.02.2022	₹ 35,04,81,803/- in the FY 2022-23
Ramesh Sunwire Private Limited [Joint Venture]	Ordinary Course of Business and at Arm's length	2022-23	Purchase of scrap of Wire Rods & others	10.02.2022	₹ 25,02,800/- in the FY 2022-23
Shrihari Coal and Power Private Limited	Ordinary Course of Business and at Arm's length	2022-23	Transportation Contract	29.04.2022; 12.08.2022, 12.11.2022	₹ 45,21,24,427/- in the FY 2022-23

Note: Particulars of contracts or arrangements or transactions with related parties are not given in Form AOC-2, during the Financial Year 2022-23 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 2023-24 have been paid to both the Stock Exchanges (BSE and NSE) within the stipulated time.

25. DEMATERIALISATION OF SHARES

As on 31st March, 2023, there were 11,14,37,747 Equity Shares dematerialised through depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL), which represents about 61.83% 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 Act, 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/2023/08/Annual_Return_March_2023.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 37th 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 2022-23 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, Village Aathmudi, 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;
- xii. Dividend Distribution Policy;
- xiii. Sunflag Iron and Steel Company Limited Business Responsibility and Sustainability Policy; and
- xiv. Sunflag policy for Quality, Environment, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company.

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 coordinator/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 :

- that all assets and resources are used efficiently and are adequately protected;
- that all the internal policies and statutory guidelines are complied with; and
- 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 2022-23, 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 2022-23.

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.
- During the year under review there were no change in the Subsidiaries, joint ventures and associate of the Company.
- During the year under review there are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) which materially impact the business of the Company.
- There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

39. ENCLOSURES

- Annexure – I : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;
- Annexure – II : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;
- Annexure – III : Secretarial Audit Report in Form No. MR-3;
- 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
11th August, 2023

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 2022-23 under review for conservation of energy:**

- i) Installation of 1200 kW MV VFDs for Fume Extraction System Fan-1&2 of SMS to save electrical energy.
- ii) Installation of 400 kW MV VFD for Tail ESP ID Fan of Sinter Plant-2 to save electrical energy.

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

The Company has entered into long term Power Delivery Agreement with a Solar Power Producer Company to develop and operate 71.34 MW renewable energy project and deliver the power generated from its solar photovoltaic project to Company.

III) The capital investment on energy conservation equipment:

Rs. 195 Lakh invested on energy conservation equipment during the reporting year.

B) TECHNOLOGY ABSORPTION

Various new steel grades have been developed during FY 2022-23.

BENEFITS

New market development for Bearing, auto components and Defence sectors.

i) Installation of Super Alloy Steel making:

- a) ESR-II (1.8 T Capacity) - Successfully commissioned
- b) ESR-I (22 T Capacity) - Successfully commissioned
- c) Vacuum Induction Melting (6.5 T Capacity) -Successfully commissioned
- d) Vacuum Arc Remelting (18 T Capacity)- Successfully commissioned

ii) Other ongoing projects:

- a) Downstream of Blooming Mill (HV Mill).
- b) Installation of Solution Annealing Furnace
- c) Installation of new Pickling Plant & IVD
- d) Installation of Coil Spheroidizing Furnace with new shed
- e) Installation of LRF-3
- f) 4th Strand in CCM-1
- g) Installation of Abrasive Saw Machine in BSM
- h) Installation of Shot Blasting Machines for Rebar and Coils
- i) Installation of Forging Plant

Expenditure on Research & Development :

Sr. No.	Particulars	2021 - 22	2022 - 23
1	Capital (₹ in Lakh)	162.40	6.30
2	Recurring (₹ in Lakh)	71.76	58.26
3	Total (₹ in Lakh)	234.16	64.56
4	Total R&D Expenditure as a percentage of net turnover	0.0869%	0.0185%

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lakh)

Particulars	2021 - 22	2022 - 23
i) Earnings : Export of Goods	4,546	6,768
ii) Out Go :		
a) CIF Value of imports	44,909	42,876
b) Others including Technical Services	115	384

For and on behalf of the Board

Place : Nagpur
Date : 11th August, 2023

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 and 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	Mr. Surendra Kumar Gupta	Member, Deputy Managing Director	5	5
3	Mr. Pranav Bhardwaj	Member, Managing Director	5	1
4	Mr. Ramchandra V. Dalvi	Member, Director (Technical)	5	5
5	Mr. Sajiv Dhawan#	Member, Non-executive Independent Director	3	2
6	CA Vinita Bahri#	Member, Non-executive Independent Director	3	3
7	Dr. E.R.C Shekar *	Member, Non-executive Independent Director	2	2
8	Mr. Kumar Jitendra Singh *	Member, Non-executive Independent Director	2	2

Note : * The CSR Committee was re-constituted w.e.f. 28th September, 2022 due to retirement of Dr. E.R.C Shekar and Mr. Kumar Jitendra Singh, Independent Directors and also the members of the CSR Committee.

Mr. Sajiv Dhawan and CA Vinita Bahri, Directors (Category - Non-executive, Independent) of the Company were appointed as the members of the CSR Committee w.e.f. 28th September, 2022.

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. The executive summary along with web-link(s) 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: **Not Applicable.**

5.	a) Average net profits of the Company as per Section 135(5)	182,59,03,166
	b) Two percent (2%) of the average net profit of the Company as per Section 135(5)	3,65,18,063
	c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Year	-
	d) Amount required to be set off for the Financial Year, if any	-
	e) Total CSR obligation for the Financial Year (7a + 7b - 7c)	3,65,18,063

6. (a) Amount spent on CSR Projects (Both ongoing Project and Other than Ongoing Project): Rs. 1,81,18,289/-

(i) 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	11,30,627	No	Sunflag Foundation	CSR00016672
2.	Promoting education	Special education and employment enhancing vocation skills especially among children, youths and women	Yes	Maharashtra	Bhandara & Chandrapur	43,05,136	No	Sunflag Foundation	CSR00016672
3.	Promoting safe drinking water	Making available safe drinking water	Yes	Maharashtra	Bhandara & Chandrapur	6,90,296	No	Sunflag Foundation	CSR00016672
4.	Promoting Sports & Cultural Activities	To promote Sports (Rural & National)	Yes	Maharashtra	Bhandara, Chandrapur & Nagpur	61,01,690	No	Sunflag Foundation	CSR00016672
5.	Rural Development	Rural Electrification and Renovation of Community Hall, Construction of Rural Road	Yes	Maharashtra	Bhandara & Chandrapur	2,10,800	No	Sunflag Foundation	CSR00016672
6.	Environment Sustainability & Protection of Flora & Fauna	Rural Development Projects	Yes	Maharashtra	Bhandara & Chandrapur	56,79,740	No	Sunflag Foundation	CSR00016672
	Total					1,81,18,289			

(ii) 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			
-	-	-	-	-	-	-	-

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
-	-	-	-	-

- (b) Amount spent in Administrative Overheads - Nil
 (c) Amount spent on Impact Assessment, if applicable - Not Applicable
 (d) Total Amount spent for the Financial Year - ₹ 1,81,18,289/-
 (6a + 6b + 6c)

e) CSR Amount spent or unspent for the Financial Year 2022-23:

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
1,81,18,289	1,83,99,774	27.04.2023	-	-	-

(f) 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)	3,65,18,063
ii	Total amount spent for the Financial Year	1,81,18,289
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)	-

7. 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) (₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (₹)	Amount spent in the Financial Year (₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹)	Deficiency, If any
					Amount in (₹)	Date of transfer		
1	FY 2019-20	1,55,67,853	1,55,67,853	1,55,67,853	-	-	-	-
2	FY 2020-21	45,00,000	-	-	-	-	-	-
3	FY 2021-22	1,00,00,000	1,00,00,000	1,00,00,000	-	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year: No**The number of Capital Assets Created/ Acquired- N.A.**Furnish the details related to such assets(s) so created or acquired through Corporate Social Responsibility amount spent in Financial Year: **Not Applicable****9. 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 ₹ 3,65,18,063/- [Statutory Minimum amount required to be spent as per Section 135(5)], ₹ 1,81,18,289/- has been spent and ₹ 1,83,99,774/- has been allocated for Project P-3 - Construction of RCC Road (Rural Development) [tenure 2 years] during the Financial Year 2022-23.

Place : Nagpur

Date : 11th August, 2023

Surendra Kumar Gupta
Deputy Managing Director
DIN - 00054836

Ravi Bhushan Bhardwaj
Non-Executive Chairman &
Chairman – CSR Committee
DIN: 00054700

ANNEXURE 'III' TO BOARD'S REPORT**Form No. MR – 3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR 2022-2023 ENDED 31 MARCH 2023****[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 Officer/s, Agent/s and Authorised Representative/s, 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 & 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 2022–2023 ended 31 March 2023, 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 2022–2023 ended 31 March 2023 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 the Regulation/s and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 ['FEMA'] read with the Rules and Regulations made there under to the extent of Foreign Direct Investment ['FDI'], Overseas Direct Investment ['ODI'] and External Commercial Borrowings ['ECB'];
- (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 [including the provisions with regards to disclosure/s and maintenance of record/s required under the said Regulations];
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [including the provisions with regards to disclosure/s and maintenance of record/s required under the said Regulations];
 - (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;
 - (g) 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, 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 Securities) Regulations, 2021 [Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Non-Convertible 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/s:–

- (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 2022–2023 ended 31 March 2023] 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 document/s and record/s 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 Mines and Mineral (Regulation and Development) Act, 1957 read with the Rules made there under;
- (iv) The Indian Boilers Act, 1923;
- (v) The Explosives Act, 1884 read with the Rules made there under;
- (vi) The Environment (Protection) Act, 1986 read with the Rules made there under;
- (vii) The Water (Prevention and Control of Pollution) Act, 1974 read with the Rules made there under;
- (viii) The Air (Prevention and Control of Pollution) Act, 1981 read with the Rules made there under;
- (ix) Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and Manufacture, Storage and Import of Hazardous Chemical Rules, 1989;
- (x) The Indian Electricity Act, 1910 read with the Rules made there under;
- (xi) The Electricity Act, 2003 read with the Rules made there under;
- (xii) The Foreign Trade (Development and Regulation) Act, 1992;
- (xiii) The Legal Metrology Act, 2009.
- (xiv) 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 2022–2023 ended 31 March 2023], 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 Listing Regulations 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 Listing Regulations – 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/s together with its request application for waiver of fine or penalty.

The Company's representation for waiver of fine or penalty was placed before the "Request Review Committee" of BSE ['BSE Committee']. After considering the facts of the case, the written submission/s made by the Company, the BSE Committee noted the reason cited by the Company and concluded that it does not fall under any of the carve-outs jointly formulated by BSE and NSE and Noted by SEBI. As such, the BSE Committee decided that the request of the Company for Waiver of Fine or Penalty could not acceded to.

Accordingly, the BSE vide its Regret Letter via e-Mail of Tuesday, the 26 July 2022 has advised the Company to pay the Outstanding fine amount within Ten [10] Days from the date of intimation to avoid penal action for failure to do so, pursuant to SEBI SOP Circular.

The Company and its Management had acknowledged the Order [Regret Letter of BSE via e-Mail of Tuesday, the 26 July 2022] and remitted a Total Fine Payable of ₹ 11,800/- [₹ Eleven Thousand Eight Hundred] [Fine of ₹ 10,000/- (₹ Ten Thousand) Plus GST @18%, [₹ 1,800/- (₹ One Thousand Eight Hundred)], vide NEFT UTR No. IDIBH22209263492 Dated 28 July 2022. The said compliance information has been duly intimated to BSE vide the Company's Communication Ref. No. SECY/BSE/Penalty/2022 Dated 5 August 2022.

- (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, 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 Regulations – Regulation 29(2) / 29(3) of the Listing Regulations – 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/s together with its request application for waiver of fine or penalty.

The Company's representation for waiver of fine or penalty was placed before the Relevant Authority of the Exchange. After considering the facts of the case, the written submission/s made by the Company, the NSE Committee highlighted the importance of timely submission to the Stock Exchange/s and other Stakeholders as noted in Regulation 4 titled "Principles governing the disclosures and obligations" of the

Listing Regulations. The Committee also noted that the Company has failed to put on record sufficient facts to demonstrate the reason for not being compliant with requirements of Regulation 29 of Listing Regulations.

The NSE Committee, therefore decided to reject the request for waiver of fine aggregating to ₹ 10,000/-. Accordingly, the NSE vide its Order vide Ref. No. NSE/LIST/SOP/0642 Dated 18 August 2022 has advised the Company to pay the Outstanding fine amount latest by 25 August 2022 to avoid penal action for failure to do so, pursuant to SEBI SOP Circular.

The Company and its Management had acknowledged the NSE Order vide Ref. No. NSE/LIST/SOP/0642 Dated 18 August 2022] and remitted a Total Fine Payable of ₹ 11,800/- [₹ Eleven Thousand Eight Hundred] [Fine of ₹ 10,000/- (₹ Ten Thousand) Plus GST @18%, ₹ 1,800/- (₹ One Thousand Eight Hundred)], vide NEFT UTR No. IDIBH22234167399 Dated 22 August 2022. The said compliance information has been duly intimated to NSE vide the Company's Communication Ref. No. SECY/2022/ Penalty/Payment Dated 23 August 2022.

- (3) The Arbitral Award Dated 22 April 2022 and Additional Supplementary Arbitral Award Dated 28 April 2022 was passed by the Hon'ble Sole Arbitrator Mr. Justice A. R. Joshi under the Arbitration and Conciliation Act, 1996 in the matter of Arbitration between the Company and Lloyds Metals and Energy Limited [CIN – L40300MH1977PLC019594] [LMEL].

According to the Arbitral Award including Additional Supplementary Arbitral Award, and in compliance of provisions of all the applicable laws, the Company were allotted 6,00,00,000 [Six Crore] Zero Percent Optionally Fully Convertible Debentures [Zero Percent OFCD's] by LMEL vide their Board Resolution Dated 15 June 2022. As per the terms of the issuance and allotment of the said Zero Percent OFCD's, they were due for conversion after Nine [9] months but before Eighteen [18] months from the date of allotment and hence, they were due for conversion after 14 March 2023 but before 14 December 2023.

Subsequently, the Company has exercised its option for conversion of 6,00,00,000 [Six Crore] Zero Percent OFCD's issued and allotted by LMEL into 6,00,00,000 [Six Crore] Equity Shares [conversion ratio of 1:1] of face value of ₹ 1/- [₹ One] each. Accordingly, LMEL converted the said Zero Percent OFCD's and allotted 6,00,00,000 [Six Crore] Equity Shares of LMEL to the Company vide their Board Resolution Dated 16 March 2023.

- (4) **Appointment, Re-appointment and Cessation of Director/s of the Company:-**

- Appointment of Mr. Mattegunta Goutham Anjani Venkatramana, [DIN – 00101447], as an Additional Director, [Category – Non-executive & Independent], of the Company, effective 12 August 2022, to hold office till the conclusion of the Thirty-Sixth (36) Annual General Meeting of the Company;
- Appointment of Mr. Tirthnath Indranath Jha, [DIN – 07593002], as an Additional Director, [Category – Non-executive & Independent], of the Company, effective 3 September 2022, to hold office till the conclusion of the Thirty-Sixth (36) Annual General Meeting of the Company.
- Re-appointment of Mr. Sajiv Dhawan, [DIN – 00160085], as a Director, [Category – Non-executive & Independent], of the Company, for a fixed Second term of consecutive Five (5) years [27 September 2022 to 26 September 2027];
- Appointment of Mr. Mattegunta Goutham Anjani Venkatramana, [DIN – 00101447], as a Director, [Category – Non-executive & Independent], of the Company, for a fixed first term of Three (3) consecutive years [12 August 2022 to 11 August 2025];
- Appointment of Mr. Tirthnath Indranath Jha, [DIN – 07593002], as a Director, [Category – Non-executive & Independent], for a fixed First term of Three (3) consecutive years [3 September 2022 to 2 September 2025];
- Cessation of Dr. Edayathimangalam Ramnath Chandra Shekar [DIN – 00013670], as a Director, [Category - Non-executive & Independent], of the Company, on conclusion of Thirty-Sixth [36] Annual General Meeting of the Company held on 28 September 2022 due to completion of their tenure; and
- Cessation of Mr. Kumar Jitendra Singh [DIN – 00626836], as a Director, [Category - Non-executive & Independent], of the Company, on conclusion of Thirty-Sixth [36] Annual General Meeting of the Company held on 28 September 2022 due to completion of their tenure.

- (5) Approval for increase in the limits for aggregate of Loans, Investments, Guarantees or Securities, to be made, given or provided, by the Company, which shall not exceed a sum of ₹ 6,000,000,000 [₹ Six Hundred 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 read with the Rules made there under and also, the Authorisation to the Board of Directors of the Company [Including any Committee of the Board and/or any Officer/s authorised by the Board to exercise the powers conferred on the Board under this Resolution].

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 11 day of August 2023 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): F004343E000790436 Dated 11 August 2023.

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

- (a) 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.
- (b) 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

- (a) Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- (b) 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.
- (c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (d) 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 11 day of August 2023 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): F004343E000790436 Dated 11 August 2023.

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 2022-23 under review:

Number of Complaints received	NIL
Number of Complaints disposed off	NIL

For and on behalf of the Board

Nagpur
11th August, 2023

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**) has 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 under the guidance of Ministry of Steel, Government of India.

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

After growing 3.1 percent last year, the global economy is set to slow substantially in 2023, to 2.1 percent, amid continued monetary policy tightening to rein in high inflation, before a tepid recovery in 2024, to 2.4 percent. Tight global financial conditions and subdued external demand are expected to weigh on growth across emerging market and developing economies (EMDEs). Projections for many countries have been revised down over the forecast horizon, with upgrades primarily due to stronger-than-expected data at the beginning of 2023 more than offset by downgrades thereafter. Inflation has been persistent but is projected to decline gradually as demand weakens and commodity prices moderate, provided longer-term inflation expectations remain anchored. Global growth could be weaker than anticipated in the event of more widespread banking sector stress or if more persistent inflation pressures prompt tighter-than-expected monetary policy. Recent bank failures call for a renewed focus on global financial regulatory reform. Global cooperation is also necessary to accelerate the clean energy transition, mitigate climate change and provide debt relief for the rising number of countries experiencing debt distress. At the national level, it is imperative to implement credible policies to contain inflation and ensure macroeconomic and financial stability, as well as undertake reforms to set the foundations for a robust, sustainable, and inclusive development path.

In all, greater-than-expected resilience of major economies at the end of 2022 and early in 2023 led to the overall upgrade to growth in 2023. Growth rate in 2023 in USA is expected to be 1.6%, while the eurozone is expected to remain strained at 0.8%. The energy shock, a result of the war in Ukraine, continues to impact the economic activity in Europe. China's economy is set to rebound to 5.2% as mobility and industrial activity pick up after lifting of pandemic restrictions.

B) RECENT DEVELOPMENTS AND ECONOMIC OUTLOOK

Advanced economies

Tight labor markets and high wage growth prevented a sharper slowdown in advanced economies in early 2023. Policy rate hikes and recent bank failures have contributed to a tightening of financial conditions and a slowdown in bank lending. The recovery in China is expected to be led by services activity, which tends to be less trade intensive. In the first quarter of 2023, GDP expanded by 1.1 percent in the United States on a quarterly basis, supported by broadly robust consumption. EURO area GDP grew by 0.3 percent at an annualized rate, reflecting lower energy prices, easing supply bottlenecks, and fiscal policy support for firms and households. Advanced-economy growth is projected to slow to an annual average of 0.7 percent in 2023. This largely reflects the continued effect of considerable central bank policy rate hikes since early 2022. More restrictive credit conditions due to banking sector stress in advanced economies should slow domestic demand further in 2023. Past increases in energy prices and the expected softening in labor markets are also projected to weigh on activity. Growth is expected to accelerate modestly to 1.2 percent in 2024 due to a pickup in the euro area.

Emerging Market and Developing Economies (EMDE) outlook

Growth in EMDEs is projected to edge up to 4 percent in 2023, which almost entirely reflects the rebound in China. Excluding China, EMDE growth is set to decline to 2.9 percent this year, from 4.1 percent last year, due to the drag from high inflation and the associated monetary tightening—both domestically and via monetary policy spillovers from advanced economies—as well as from slowing external demand. Growth in EMDEs excluding China is expected to pick up modestly to 3.4 percent in 2024, as the effects of monetary tightening diminish and several larger EMDEs emerge from domestic strains, including natural disasters, power shortages, and political turbulence.

C) INDIAN ECONOMY

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

D) ECONOMIC AND BUSINESS OUTLOOK- GLOBAL AND INDIAN STEEL INDUSTRY**1. GLOBAL AND INDIAN STEEL INDUSTRY**

The global steel production volume is estimated to reach 2175 million tonnes in 2024, growing at a CAGR of 4.50% for the period spanning from 2020 to 2024. The factors such as rising population growth, growing urban population, growing automobile sector, growing spending on construction and infrastructure projects and growing demand for long steel are expected to drive the market. However, the growth of the industry will be challenged by price volatility. A few notable trends include technological advancements, rising demand for stainless steel and rising demand for recycled steel.

The global steel market is expected to grow in future owing to increasing infrastructural activities and rising adoption of steel in automotive, electrical and other end-use industries. In terms of geographical areas, China is the major contributors to the global steel production supported by increasing automotive production and growth of electrical appliances. India is the fastest-growing market for steel with increasing urbanization, industrialization and infrastructure investments.

As per reports by CareEdge Research, the domestic steel consumption growth rate in India is expected to be around 10-12% in FY2023. There is also a rise in investments in the infrastructure sector and support from the government to encourage the growth and outlook of the Indian steel industry.

One of the primary forces behind industrialization has been the use of metals. Steel has traditionally occupied a top spot among metals. Steel production and consumption are frequently seen as measures of a country's economic development because it is both a raw material and an intermediary product. Therefore, it would not be an exaggeration to argue that the steel sector has always been at the forefront of industrial progress and that it is the foundation of any economy.

India emerged as the second largest steel producer in the world. India's finished steel production has increased by over 6%, whereas globally steel production declined by 4.2% in calendar year 2022. India's Steel consumption has grown over 11% to 119 million tonnes in FY 2023 from 105 million tonnes in FY 2022. Steel consumption including exports will be around 132 million tonnes to 135 million tonnes in FY 2024.

The growth in the Indian steel sector has been driven by the domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output. The Indian steel industry is modern, with state-of-the-art steel mills. It has always strived for continuous modernisation of older plants and up-gradation to higher energy efficiency levels.

Overall, the key steel consuming sectors are expected to perform well in FY2023-24 supported by a rise in infrastructure spend by the Government and gradually improving semiconductor supply. High CAPEX allocation in key steel consuming sectors such as railways, national highways and housing is expected to drive steel consumption.

2. OUTLOOK FOR STEEL INDUSTRY- OPPORTUNITIES AND THREATS

The steel industry has emerged as a major focus area given the dependence of a diverse range of sectors on its output as India works to become a manufacturing powerhouse through policy initiatives like Make in India. With the industry accounting for about 2% of the nation's GDP, India ranks as the world's second-largest producer of steel and is poised to overtake China as the world's second-largest consumer of steel. Both the industry and the nation's export manufacturing capacity have the potential to help India regain its favourable steel trade balance.

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.

According to the Indian Steel Association (ISA), domestic steel demand stood at 119.86 mt in fiscal 2022-23. Indian steel demand is expected to be robust and growing by 6.2% in FY2023-24 supported by strong GDP growth forecast, private consumption and Government expenditure. India's capital goods sector is also expected to benefit from the momentum in infrastructure and investment in renewable energy. Automotive and consumer durables are expected to maintain healthy growth driven by sustained growth in private consumption.

Integrated Steel Players will continue to add capacity in FY2023-24, and utilisation levels are expected to remain healthy at 80%. Net export position is expected to strengthen with removal of export duty.

In order to unleash the demand-led growth of steel industry in India, the government is pushing through extensive reforms to strengthen infrastructure to enhance productivity. It would be intriguing to see how effectively India implements its reform agenda and infrastructure plans to pave the way for optimal growth and expansion of the steel industry.

In parallel with this, there are certain international trends such as the looming trade wars and economic slowdown which are going to test the mettle of Indian steel industry.

It is worth noting here that the cost of steel production in India is higher compared to other countries because of creaking infrastructure, high taxes and expensive cost of capital.

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 VSSC, LPSC, HAL and GE Gas & Power and has received orders for supply of high-quality Aero steels & Inconel's.

Steel is a key sector for the Indian economy. India is the world's second largest producer of crude steel and second largest consumer of finished steel. In FY 21-22, the sector contributed approximately 2% to the country's GDP and provided approximately 20 lakh jobs. Moreover, the sector is set for significant growth: the National Steel Policy has set a target to reach 300 million tonnes (MT) of annual production by 2030 from the existing level of 120 MT.

The Steel Ministry has signed 57 MoUs with 27 Companies for speciality steel under PLI scheme. The PLI scheme, which is expected to generate an investment of about ₹ 30,000 crores and create additional capacity of about 25 million tonnes of speciality steel in the next five years.

Steel Ministry is in the process of aligning policies with the Gati Shakti Master Plan, which will complement the hundred lakh crore investments for infrastructure development. Increased indigenous defence procurement and a growing manufacturing sector in the country is expected to contribute to steel demand.

CURRENT CHALLENGES / THREATS

Susceptibility to fluctuations in raw material prices, changes in government regulations, and cyclical in the steel and domestic auto industry:

Profitability is susceptible to fluctuations in raw material prices. Raw material costs constitute 60-65% of the revenue; although there is a pass-through mechanism to counter fluctuations, it happens with a time lag. The inability to pass on price hikes to customers immediately also constrains profitability. Operating margin has been volatile at 12-15% during the five fiscals through 2022-23 due to fluctuations in raw material prices.

Vulnerability to adverse changes in duties and tariffs also increases the final output cost, thereby reducing the competitiveness of products in domestic and global markets. Any unfavourable changes in import regulations intensifies competition from manufacturers in China and other countries, thereby restricting the pricing power.

Sunflag operates in the cyclical steel industry, thus making it vulnerable to downturns in demand, leading to a decline in realisations. Moreover, the bulk of revenue is derived from the domestic automobile industry, primarily the passenger car and commercial vehicle segments. In the automotive industry, demand depends on economic growth and consumer sentiments. Any decline in demand could impinge on sales and profitability.

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** has signed MoUs for four product categories with the Ministry of Steel under the Production-linked incentive (PLI) Scheme- 2013 for specialty steel.

The Company during the year commissioned its Blooming mill and Forging Plant which are now operating at their minimum capacity in view of operational requirement for stabilization. Few approvals from customers for super alloy products have been received and accordingly the Company is now developing various grades of steel to cater to these customers.

During the year under review, **SUNFLAG STEEL** 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. Profit before exceptional items and taxes stood at ₹ 291.10 crore in the year under review as against ₹ 284.29 crore in 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 2022-23 under review.

FINANCIAL AND OPERATIONAL PERFORMANCE:

A detailed financial performance together with segment-wise/product wise performance of the Company for the FY 2022-23 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 22-23	FY 21-22	Variation	Explanation of Y-o-Y variance higher than 25%
Debtors Turnover Ratio	11.26 Times	10.34 Times	8.90%	Not significant change, ratio is within the industry norms.
Inventory Turnover Ratio	2.61 Times	2.35 Times	11.06%	Inventory turnover has increased in view of increased volume and turnover.
Interest Coverage Ratio	5.15 Times	7.60 Times	- 32.24%	Interest coverage reduction is on account of interest on additional loans availed.
Current Ratio	1.56 Times	1.53 Times	1.96 %	Not significant change, ratio is within the industry norms.
Debt Equity Ratio	0.16 Times	0.30 Times	- 46.67 %	Decrease in debt equity ratio is due to increase in other equity on account of exceptional income booked.
Operating Profit Margin (%)	10.47%	11.93%	- 12.24 %	Decrease in OPM/Net profit margin is mainly due to increase in input cost coupled with increase in interest and depreciation, accordingly, both OPM and NPM have decreased even though there is a marginal increase in volume.
Net profit Margin (%)	6.20%	8.02%	- 22.69 %	As explained above
Return on Networth (%)	37.71 %	15.47%	143.76 %	Increase is due to increase in other equity on account of exceptional income booked.

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 2022-23 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 AND SUSTAINABILITY REPORT- (2022-23)

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

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has introduced the new reporting on Environmental, Social & Governance ('ESG') parameters called the Business Responsibility and Sustainability Report ("BRSR"), in place of the Business Responsibility Report ("BRR"). The BRSR reporting is applicable to the top 1000 listed entities (by market capitalisation) on mandatory basis from FY 2022-23.

The Business Responsibility and Sustainability Report of the Company describes the initiatives taken by the Company from an environmental, social and governance perspective.

SECTION A: GENERAL DISCLOSURE

I. DETAILS OF LISTED ENTITY:

1	Corporate Identity Number (CIN) of the Company	L27100MH1984PLC034003
2	Name of the Company	Sunflag Iron and Steel Company Limited
3	Year of Incorporation	1984
4	Registered Office address	33, Mount Road, Sadar, Nagpur – 440001, Maharashtra, IN
5	Corporate Address	33, Mount Road, Sadar, Nagpur – 440001, Maharashtra, IN
6	e-mail id	investor@sunflagsteel.com
7	Telephone	Tel. No.: +91 712-2524661; Fax No.: +91 712-2520360
8	Website	www.sunflagsteel.com
9	Financial Year reported	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11	Paid-up Capital	INR 1,80,21,94,480
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Surendra Kumar Gupta, Deputy Managing Director Phone: 0712-2524661 Email: skgupta@sunflagsteel.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures in this report are made on standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
01	Manufacture of Steel and Steel products	Manufacturing	100

15. Products/Services sold by the Company (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
01	Steel Ingots and long products	241	92.08
02	Pig Iron	243	7.86
03	Sponge Iron	243	0.01

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	One (Bhandara)	Eight (8) Nagpur, Bhandara, Mumbai, Pune, Delhi, Faridabad, Chennai and Bengaluru	Nine (9)
International	-	-	-

17. Markets served by the entity :

1. Number of locations

Locations	Number
National (No. of States)	Sunflag renders supplies pan India.
International (No. of Countries)	Exports products to various countries across globe.

2. What is the contribution of exports as a percentage of the total turnover of the entity?

Contribution of Export is 1.94 % of total turnover of the Entity.

3. A brief on types of customers:

The steel produced finds applications in sectors like automobile, general engineering, machinery, projects, railway, defence and construction, and our customers are spread across these sectors for the use of steel in various applications.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	719	714	99.30	5	0.70
2.	Other than Permanent (E)	34	33	97.06	1	2.94
3.	Total employees (D + E)	753	747	99.20	6	0.80
			WORKERS			
4.	Permanent (F)	421	419	99.52	2	0.48
5.	Other than Permanent (G)	2270	2261	99.60	9	0.40
6.	Total workers (F + G)	2691	2680	99.59	11	0.41

b. Differently abled Employees and workers:

F. Differently abled Employees and Workers:						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B / A)	No. (C)	%(C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	-	-	-	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	-	-	-	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (D)	-	-	-	-	-
5.	Other than Permanent (E)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B / A)
Board of Directors	12	2	16.67%
Key Management Personnel	6	0	0%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	129	0	129	94	1	95	98	3	101
%Turnover	18.06%	0%	17.94%	14.69%	33.33%	14.77%	14.92%	60%	15.25%
Permanent Workers	25	0	25	36	0	36	33	0	33
%Turnover	5.97%	0%	5.94%	7.95%	0%	7.91%	6.79%	0%	6.76%

V. Holding, Subsidiary and Associate Companies (including joint ventures)
21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sunflag Power Limited	Subsidiary	100%	No
2.	Khappa Coal Company Private Limited	Subsidiary	63.27%	No
3.	Sunflag Foundation	Subsidiary	100%	No
4.	Madanpur (North) Coal Block Private Limited	Joint Venture	11.73%	No
5.	CT Mining Private Limited	Joint Venture	31.80%	No
6.	Daido DMS India Private Limited	Joint Venture	17.56%	No
7.	Ramesh Sunwire Private Limited	Joint Venture	49.00%	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 : **Yes**
(ii) Turnover (in Rs.): 3,48,842 lakh
(iii) Net worth (in Rs.): 2,95,485 lakh

VII. Transparency and Disclosures Compliances
23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Current Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	23	-	-	17	-	-
Employees and workers	Yes	-	-	-	-	-	-
Customers	Yes	277	-	-	331	-	-
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	Yes	-	-	-	-	-	-

* Grievance Redressal Policy Links:

<https://sunflagsteel.com/wp-content/uploads/2023/02/Sunflag-Policy-Quality-environment-health-etc.pdf>

<https://sunflagsteel.com/wp-content/uploads/2023/02/SISCO-Whistleblower-Policy-07022023.pdf>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	There is no responsibility or sustainability issue pertaining to environmental or social matter.				

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

[illegible]

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	The compliances related to Business Responsibility and Sustainability Policy and other key policies are reviewed periodically and/or on need basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Compliances are reviewed periodically and no such non-compliances observed.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1		P2		P3		P4		P5		P6		P7		P8		P9	
	No		No		No		No		No		No		No		No		No	

12. . If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not Applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N O T								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	A P P L I C A B L E								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Principle- wise policies

P1	P2	P3	P4	P5	P6	P7	P8	P9
Code of Business Principles and Conduct	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy	Business Responsibility and Sustainability policy
Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company	Policy on Quality, Environmental, Health and Safety, Stakeholders' Engagement, Human Rights, Waste Management, Biodiversity and Grievance Redressal of the Company
Policy for determination of materiality of any event and information	Code of Business Principles and Conduct	Remuneration Policy	Whistle Blower Policy	Whistle Blower Policy	Code of Business Principles and Conduct	Code of Business Principles and Conduct	Code of Business Principles and Conduct	Code of Business Principles and Conduct
Policy on Materiality of related party transaction and dealing with related party transactions		Policy on Prevention of Sexual Harassment at workplace	Policy on Prevention of Sexual Harassment at workplace	Policy on Prevention of Sexual Harassment at workplace				

P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy for determining material subsidiary		Policy on Succession planning for the Board and Senior Management		Remuneration Policy				
Policy for Document preservation		Whistle blower policy						
Remuneration Policy								
Terms and Condition for the Appointment of Independent Director								
Policy on Succession Planning for the Board and Senior Management								
Dividend Distribution Policy								
Code for Prohibition of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information								

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE:

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	12	The Topic covered business models, Health & Safety, Working Condition, POSH, Information Security, Human Rights, Governing Regulations, ESG, Code of Business Principles and Conduct, Grievance Management, Risk Management, Insider Trading, Waste Management, Biodiversity Conservation, Management their roles, rights and responsibilities and major developments and updates on the Company etc.	100%
Key Managerial Personnel	12		100%
Employees other than BoD and KMPs	7	1. Waste Management-Industrial Hazards & Environmental Pollution Control, Compliances 2. Ownership & Accountability 3. Leadership 4. Industrial Safety and Compliance. 5. Attention to details (shopfloor leadership on compliance and adherence to the system) 6. Teamwork and Collaboration 7. HIRA	42%
Workers	3	General Safety & Compliance: Ownership & Accountability (Attention to details):-Environmental compliance.	29%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-		-	-
Punishment	-	-		-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes, the Code of Business Principles and Conduct of the Company covers the anti-corruption and anti-bribery element also. Weblink: https://sunflagsteel.com/wp-content/uploads/2018/03/SISCO_Code-Of-Business-Principles.pdf
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the Training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
-	-	-

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same. Yes, the Code of Business Principles and Conduct of the Company has principle on management of conflict of interest whereunder they are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the Company.

Weblink:https://sunflagsteel.com/wp-content/uploads/2018/03/SISCO_Code-Of-Business-Principles.pdf

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year Rs. Lakhs	Previous Financial Year Rs. Lakhs	Details of improvements in environmental and social impacts
R&D	64.56 (100%)	234.16 (100%)	Improved in general
Capex	Nil	Nil	NA

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) **Yes**
b. If yes, what percentage of inputs were sourced sustainably? **90%**
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
A) Plastic waste: Sent to Authorized recycle processor.
B) E - Waste: Sent to Authorized recycle processor.
C) Hazardous waste-- : 1. Sludge : Recycled as raw material in our Sinter plant
2. Used oil : Recycled in our reheating furnace as fuel and partially sold to authorized reproprocessors.
D) Other waste- : Please Refer to Leadership Indicators point no. 4
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). **Yes**
5. If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? **Yes** If not, provide steps taken to address the same. **NA**

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective /Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
241	Long products	100%	To be assessed	In progress	No
243	Pig Iron				
243	Sponge Iron				

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/ Services	Description of the risk/ Concern	Action Taken
Long Products	No social/ environmental concern	NA
Pig Iron	No social/ environmental concern	NA
Sponge Iron	No social/ environmental concern	NA

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY2021-22 Previous Financial Year
In process generation of scrap	13.04%	13.70%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	152.346 MT	-	-	143.458 MT
E-waste	-	-	-	-	-	-
Hazardous waste	213.442 MT	213.442 MT	64.200 MT	171.258 MT	171.258 MT	-
Other waste	11,61,582 MT	11,61,582 MT	93,354 MT	11,59,824 MT	11,59,824 MT	97,548 MT

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

PRINCIPLE 3 : Businesses should respect and promote the well-being of all employees, including those in their value chains.
1. a. Details of measures for the well- being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	714	221	30.95%	714	100%	NA	-	-	-	-	-
Female	5	1	20%	5	100%	5	100%	NA	-	-	-
Total	719	222	30.88%	719	100%	5	0.7%	-	-	-	-
Other than Permanent employees											
Male	33	-	-	33	100%	NA	-	-	-	-	-
Female	1	-	-	1	100%	-	-	NA	-	-	-
Total	34	-	-	34	100%	-	-	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	419	281	67.06%	419	100%	NA	-	-	-	-	-
Female	2	2	100%	2	100%	2	100%	NA	-	-	-
Total	421	283	67.22%	421	100%	2	0.48%	-	-	-	-
Other than Permanent workers											
Male	2261	644	28.48%	2261	100%	NA	-	-	-	-	-
Female	9	5	55.56%	9	100%	9	100%	NA	-	-	-
Total	2270	649	28.59%	2270	100%	9	0.40%	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	As per applicable Norms					
Others – please specify	As per applicable Norms					

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard- Presently none of the employees are in the differently abled category.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes <https://sunflagsteel.com/wp-content/uploads/2023/02/Sunflag-Policy-Quality-environment-health-etc.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

In case of employees, grievance can be conveyed through a designated person. Redressal as per the merits of the case will follow.

In case of workmen, Grievance can be put up in Monthly IR meeting in presence of Union Representatives. Redressal as per merits of the case will follow.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY2021-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	719	-	-	651	-	-
- Male	714	-	-	648	-	-
- Female	5	-	-	3	-	-
Total Permanent Workers	421	392	93.11	446	417	93.50
- Male	419	390	93.08	444	415	93.47
- Female	2	2	100	2	2	100

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1879	996	53.01%	883	46.99%	1559	920	59.01%	639	40.99%
Female	6	3	50%	3	50%	2	1	50%	1	50%
Total	1885	999	53%	886	47%	1561	921	59%	640	41%
Workers										
Male	2336	1424	60.96%	912	39.04%	1778	1092	61.42%	644	36.22%
Female	2	1	50%	1	50%	-	-	-	-	-
Total	2338	1425	60.95%	913	39.05%	1778	1092	61.42%	644	36.22%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year					FY2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1879	996	53.01%	883	46.99%	1559	920	59.01%	639	40.99%
Female	6	3	50%	3	50%	2	1	50%	1	50%
Total	1885	999	53%	886	47%	1561	921	59%	640	41%
Workers										
Male	2336	1424	60.96%	912	39.04%	1778	1092	61.42%	644	36.22%
Female	2	1	50%	1	50%	-	-	-	-	-
Total	2338	1425	60.95%	913	39.05%	1778	1092	61.42%	644	36.22%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes as per ISO45001:2018 requirements throughout the plant

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- Routine-
- Coverage of workplace by Cameras
 - Daily site inspection
 - Work permit system for working at height
 - Regular medical examination
- Non- routine-
- Cross functional audits
 - External audits
 - Hazop study
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) **Yes**
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) **Yes**

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

12. Describe the measures taken by the entity to ensure a safe and healthy work place.
- Coverage of all operations area by Camera and display to key safety and operations persons
 - Daily site inspection
 - Cross functional safety audits of all workplaces
 - Appointment of safety coordinators to ensure safe practices at all levels
 - Work permit system for all jobs at height
 - Regular medical examination to ensure fitness for critical jobs
 - Awards for best performance in safety

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions: No such corrective action taken.

Leadership Indicator

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).
All employees covered by Insurance and statutory norms.
All workers covered by Insurance and statutory norms
In case of loss of family income for basic needs, employment can be considered.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.
During the course of meetings with value chain partners we try to ensure that the statutory dues have been deducted and deposited.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)	FY2022-23 (Current Financial Year)	FY2021-22 (Previous Financial Year)
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes. In certain case qualified persons with excellent performance are retained as advisers after the retirement. During the employment skill development programs are carried out to facilitate the continued employment.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	10%
Working Conditions	100%

At the time of entering into contract with value chain partners awareness in relation to good working conditions and requirement of health and safety practices are created.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.- No such action taken.

PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has a robust stakeholder engagement process whereunder the Company has identified the following key stakeholders ('key stakeholder groups') based on the reciprocal influence and responsibilities between the Company and its stakeholders viz. Employees, Shareholders and investors, Customers, Government and Regulatory Authorities, Suppliers, Local Communities, Industrial Associations and Value Chain Partners.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of Communication (Email, SMS, Newspaper, pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ other- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Customer meets, emails, SMS, Advertisements etc.	Ongoing basis	Customer feedback on product
Employees	No	Meetings, Notices	Ongoing basis	Rules, Policies, guidelines from Authorities
Value Chain Partners	No	Emails	Ongoing basis	As per requirement
Shareholders and Investors	No	Meetings, Emails, Letters, Newspaper, Website, Announcements etc.	Ongoing basis	Major Approvals, Shareholders value, major developments and other relevant updates regarding the Company, grievance redressal etc.
Industrial Association	No	Letters, Emails	Ongoing basis	As per requirement
Local Communities	Yes	Community Meetings, Letters	Ongoing basis	CSR activities etc.
Regulatory Bodies	No	Letters, Emails	Ongoing basis	As per requirement
Suppliers	No	Meetings, Letters, Emails etc.	Ongoing basis	As per requirement

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Responsible Officers in contact with stakeholders share the feedback with the Board of Directors.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No)- Yes. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Inputs if any from stakeholders are verified by responsible officers and thereafter forwarded to Managing authorities for implementation, if deemed fit.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

On various occasions local communities and NGO's are supported for the benefit of the society.

PRINCIPLE 5 : Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

We as a Company respect and promote human rights. We have framed a policy covering human rights element apart from covering the human rights aspect in Code for Business Principles and Conduct. Code for Business Principles and Conduct has been disseminated on the website of the Company and all the employees of the Company and other persons dealing with the Company have access to it.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	719	719	100%	649	649	100%
Other than permanent	34	34	100%	32	32	100%
Total Employees	753	753	100%	681	681	100%
Workers						
Permanent	421	421	100%	446	446	100%
Other than permanent	2270	2270	100%	1908	1908	100%
Total Workers	2691	2691	100%	2354	2354	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	719	NIL	NIL	719	100%	651	NIL	NIL	651	100%
Male	714	NIL	NIL	714	100%	648	NIL	NIL	648	100%
Female	5	NIL	NIL	5	100%	3	NIL	NIL	3	100%
Other than Permanent	34	NIL	NIL	34	100%	29	NIL	NIL	29	100%
Male	33	NIL	NIL	33	100%	28	NIL	NIL	28	100%
Female	1	NIL	NIL	1	100%	1	NIL	NIL	1	100%
Workers										
Permanent	421	NIL	NIL	421	100%	446	NIL	NIL	446	100%
Male	419	NIL	NIL	419	100%	444	NIL	NIL	444	100%
Female	2	NIL	NIL	2	100%	2	NIL	NIL	2	100%
Other than Permanent	2270	1154	50.84%	1116	49.16%	1908	974	51%	934	49%
Male	2261	1150	50.86%	1111	49.14%	1899	970	51.08%	929	48.92%
Female	9	4	44.44%	5	55.56%	9	4	44.44%	5	55.56%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	9*	10595215/-	2	300000/-
Key Managerial Personnel	2	5385652/-	-	-
Employees other than BoD and KMP	708	Executives- 5318197/- Staff - 591684/-	5	448500/-
Workers	419	828204/-	2	550422/-

* Four Board Members are Key Managerial Personnel also.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes- Human Rights being an important matter, any violation of Human Rights will be addressed by a separate committee formed by management for the purpose.
5. Describe the internal mechanisms in place to redress grievances related to human rights issues.
Grievances can be put up to designated personnel in organization for redressal- as specified in point 4 above.
6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	NA	-	Nil	NA	-
Discrimination at workplace	Nil	NA	-	Nil	NA	-
Child Labour	Nil	NA	-	Nil	NA	-
Forced Labour/Involuntary Labour	Nil	NA	-	Nil	NA	-
Wages	Nil	NA	-	Nil	NA	-
Other human rights related Issues	Nil	NA	-	Nil	NA	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. Committee is established as per the provision of Act.
8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)- Yes
9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.- **Nil**

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints: There were no such complaints
2. Details of the scope and coverage of any Human rights due-diligence conducted: No such due diligence conducted during FY 2022-23
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? - **Yes**
4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. No such corrective action was required.

PRINCIPLE 6 : Businesses should respect and make efforts to protect and restore the environment
Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format :

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)KWH(MJ)	374798129 (1349273264)	356329120 (1282784832)
Total fuel consumption (B) KL(MJ)	20905 (812716690)	18902 (703417522)
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C) Mega Joules	2161989954	1986202354
Energy intensity per rupee of turnover MJ/Rs. (Total energy consumption/ turnover in rupees)	0.618	0.735
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-N If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.- Not Applicable
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) surface water (From River)	32,11,011	32,92,262
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	32,11,011	32,92,262
Total volume of water consumption (in kilolitres)	32,11,011	32,92,262
Water intensity per rupee of turnover, Lit/ Rs. (Water consumed / turnover)	0.920	1.22
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) -N If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
Yes: Achieved zero liquid discharge, blow down water discharge from all cooling towers are being reused as a make up to Sinter Plant, Mini Blast Furnace, Sponge Iron Plant, Steel Melt Shop and Rolling Mill. Domestic waste water is reused for tree plantation and firefighting water after treatment at Sewage Treatment Plant.
5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Nox	mg/Nm3	250.65	312.59
Sox	Kg/Tcs	5.603	7.995
Particulate matter (PM)	mg/Nm3	23.99	32.11
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others please specify	-	-	-

Note : Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)- Y If yes, name of the external agency.

Monitored by External Agency:- NABL approved Lab, M/s. Earthcare Labs Pvt Ltd, Nagpur.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	16,27,406.97	17,54,491.86 tCO ₂
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,14,701.67	1,82,631.74 tCO ₂
Total Scope 1 and Scope 2 emissions per rupee of turnover	Scope1+Scope2 Metric tonnes of CO ₂ Equivalent (TCO ₂ /Rupee TO)	18,42,108.64 (0.0000528)	19,37,123.596 tCO ₂ (0.0000718)
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-N If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes,

Major projects undertaken for reducing GHG emissions.

1. Registered vehicle scrap facility to be provided for recycle of steel.
2. Coke oven plant for producing coke, power and coke oven gas.
3. Tree plantation- to plant 60 000 to 70000 trees per year.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	152.346 MT	143.458 MT
E-waste (B)	-	-
Bio-medical waste (C)	0.040 MT	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) MT	278	171
Other Non-hazardous waste generated (H). Please specify, if any.MT (Break-up by composition i.e. by materials relevant to the sector)	1254936	1257372
Total (A+B + C + D + E + F + G + H)	1255366	1257686

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste (I)recycled (ii) Re-used (iii) Other recovery operations Total	42653 1203739 - 1246392	35702 1214458 - 1250160
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste (i) Incineration (ii) Landfilling (iii) Other disposal operations (Sale) Total	- 8758 64 8822	- 7383 - 7383

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) **No**, If yes, name of the external agency-**NA**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Refer Annexure to this Report

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: All our operations have the required environmental and other approvals/ clearances.
11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: Environment Impact Assessment has not been undertaken during the financial year 2022-23.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-
-	-	-	-	-	-

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder: Y (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NOT APPLICABLE				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format :

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption KWH (D)	374798129	356329120
MJ	1349273264	1282784832
Total fuel consumption (E) KL	20905	18902
MJ	812716690	703417522
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources, MJ (D+E+F)	2161989954	1986202354

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-**No** If yes, name of the external agency. **NA**

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Zero Liquid Discharge Plant Zero Liquid Discharge Plant	Zero Liquid Discharge Plant Zero Liquid Discharge Plant
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-**No** If yes, name of the external agency. - **NA**

Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - Villages Warthi and Eklari, Tal. Mohadi, District Bhandara

(ii) Nature of operations - Manufacture of Iron and Steel

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) surface water	32,11,011	32,92,262
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	32,11,011	32,92,262
Total volume of water consumption (in kilolitres)	32,11,011	32,92,262
Water intensity per rupee of turnover (Water consumed / turnover) Litres/Rupee	0.92	1.22
Water intensity (optional) –the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) into Surface water	Zero Liquid Discharge Plant Zero Liquid Discharge Plant	Zero Liquid Discharge Plant Zero Liquid Discharge Plant
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-**N** If yes, name of the external agency. - **NA**

3. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	2,82,872.23 t CO₂	1,82,136.58 t CO ₂
Total Scope 3 emissions per rupee of turnover x 10⁵ (Value)		8.11 (0.0000811)	6.75 (0.0000675)
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)-**No** If yes, name of the external agency. -**NA**

4. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Every year heavy Tree plantation in surrounding areas is done
5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reduce impact due to emissions	Heavy tree plantation and upgrade process technology and pollution control equipments	Substantial reduction of impact due to emissions
2	Effluent discharge	Effluent has been recycled after treatment.	Mitigation of impact of effluent discharge
3	Waste generation	Waste generation recycled inside the plant.	Alleviation of impact of waste generated

6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
The Company has a Risk Management Policy comprising the element of Business Continuity Plan duly approved by the Board of Directors.
Business continuity plan refers to maintaining business functions or quickly resuming them in the event of a major disruption, whether caused by a fire, flood or any other act of God. A business continuity plan outlines procedures and instructions an organization must follow in the face of such disasters; it covers business processes, assets, human resources, business partners and more.
Business continuity plan tackles any contingent situation covering all perceivable circumstances. It is reviewed by the Risk Management Committee, as per the need.
Training and awareness programs are undertaken from time to time to boost the Business Continuity Plan.
7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
No significant adverse impact to the environment has been reported by our value chain partners during the FY under review.
8. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
From time to time since the initiation of the business with the value chain partners they are made aware of this through discussions.

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

Essential Indicators:1.

- a. Number of affiliations with trade and industry chambers/ associations : 4
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	Alloy Steel Producers Association	National
3	Quality Circle Forum of India	National
4	TPM Club of India	National
5		
6		
7		
8		
9		
10		

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

Leadership Indicators

1. Details of public policy positions advocated by the entity: Sunflag is a member of various trade associations and closely works with industry and associations to positively support in the framing of the various policies that govern the functioning of the Indian Steel Sector.

PRINCIPLE 8 : Businesses should promote inclusive growth and equitable development.

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. As per the laws applicable to the Company no Social Impact Assessment of the project is required.

Name and brief project	SIA notification No.	Date of Notification	Whether conducted by independent Agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant details of Web Link external
			Not Applicable		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

There was no Rehabilitation and Resettlement (R&R) required in the year 2022-23

S. No	Name of Project for which R & R is ongoing	State	District	No. of Project affected Families (PAFs)	% of PAFs covered by R & R	Amount paid to PAFs in the FY (In INR)
				Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community. Grievances if any can be reported to Human Resources Management Section of the Company and redressal if required is immediate.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers, % of total value sourced	32.96	27.08
Sourced directly from within the district(Bhandara) and neighboring districts,% of total value sourced	2.61	1.35

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
1	Maharashtra	Bhandara, Nagpur, Chandrapur	Please refer Annexure II to the Board's Report 2022-23

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No
- (b) From which marginalized /vulnerable groups do you procure? Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual property based on traditional Knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	No such benefits derived or shared during FY 2022-23			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not Applicable	

6. Details of beneficiaries of CSR Projects

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Green Garden	1000 persons	80%
2	Borewell	100 Families	80%
3	Solar Light	250 Families	95%
4	Health Checkup	500 Families	85%
5	Miyawaki Forest	250 Families	100%

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Customers can reach-out with their complaints related to our products and other concern to Company's Sales and Marketing team directly or through E-mail and Company is committed for resolution of the Complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	-	-	Nil	-	-
Advertising	Nil	-	-	Nil	-	-
Cyber-security	Nil	-	-	Nil	-	-
Delivery of essential services	Nil	-	-	Nil	-	-
Restrictive Trade Practices	Nil	-	-	Nil	-	-
Unfair Trade Practices	Nil	-	-	Nil	-	-
Other	Nil	-	-	Nil	-	-

4. Details of instances of product recalls on account of safety issues: No such issue

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)-Yes If available, provide a web-link of the policy.

Yes, Company has the policy on cyber security and risks related to data privacy.

Weblink: <https://sunflagsteel.com/wp-content/uploads/2023/02/Sunflag-Policy-Quality-environment-health-etc.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There was no such occurrence.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
<https://sunflagsteel.com/wp-content/uploads/2020/04/web-brochure.pdf>
 Sunflag Steel | Different Categories of Sunflag Steel
 Sunflag Iron and Steel Official Company Video - YouTube
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
 As in Point 1.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
 By telephonic or e-mail communication
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)- No If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) Yes
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact
 No such incidence occurred.
 - b. Percentage of data breaches involving personally identifiable information of customers- 0%

Annexure

Solid Waste generation and management

Fly Ash (CPP) : Generation of fly ash is basically from AFBC Boiler. Fly ash is removed from fluidized bed of the steam generator and hoppers of the steam generator bank, economizer, air pre-heater and ESP. In the existing setup, generation of fly ash is 26784 TPA.

Fly ash, collected is conveyed pneumatically through pipeline to fly ash silo. Electronic controls are installed to ensure leak proof transfer of fly ash from hoppers to fly ash silo. Bag house filter is also installed at fly ash silo to arrest fugitive emissions.

Fly ash is sent to cement plants and balance is used for in-house brick manufacturing. Care is taken to avoid any dust emission.

Bed Ash (CPP) : Bed ash is generated from AFBC steam generator. The total quantity of bed ash generation is about 22320 TPA.

Quenching of the bed ash is carried out by spraying the cooling tower blow down water. Bed Ash is used for internal road and filling low lying areas in plant premises.

ESP Dust & DRI Ash : ESP Dust & DRI Ash are generated at DRI Plant and used as fuel in the existing plant. DRI sludge is also used as fuel in FBC Boiler and also disposed by sale to local parties. DRI sludge will be generated from the scrubber installed at the DRI Plant. This sludge will be basically DRI Ash having good calorific value.

The water treatment plant and effluent recycle plant provided in close loop of CCM, BSM & ASM has sludge drying beds for solar drying of solids separated at sludge drying beds. This is used in sinter plant for sinter manufacture.

In the existing setup, generation of ESP Dust & DRI Ash is 148400 TPA.

Bag Filter Dusts (DRI & SMS) : Dusts are collected from the bag filters installed in various sections mainly raw material handling in DRI and SMS/AOD. The quantity of bag filters dusts at full production capacity is 36750 TPA.

Dust collected at the bag filters of raw material handling sections of direct reduced iron plant is partly reused in the process of manufacturing sponge iron and balance for utilization in sinter plant for manufacturing sinter. The dust collected from the bag filters provided to EAF and LHF of the steel melting shop is 15750 TPA and is used in the sinter plant for manufacturing sinter. The dust collection from the bag filter provided to Stainless Steel Refining Converter of the steel melting shop is also used in the sinter plant for manufacturing sinter.

IF & EAF Slag : In existing setup, slag is generated from EAF. Total quantity of slag generation, at full production capacity is about 100200 TPA and it is disposed by landfill within factory area. Slag is generated from Stainless Steel Refining Converter also and is used in the sinter plant for manufacturing sinter.

After proposed expansion, slag will be generated from IF & EAF. Total quantity of slag generation, at full production capacity will be about 195629 TPA. It will be disposed through sale to cement manufacturers and for roads construction and other end users. Slag will be generated from Stainless Steel Refining Converter also and it will be used same as in existing set up.

Mill Scale (CCM & Rolling Mill) : Mill scale is generated at CCM, BSM and ASM Sections. The quantity of mill scale generated at full production capacity is about 10500 TPA. Water used for cooling purposes of billets and rolled steel products, carries mill scale along with it and admitted in scale pit under gravity. From the scale pit, mill scale is removed periodically. The total mill scale constitutes 2/3rd from CCM

mill scale and about 1/3rd from BSM/ASM Mill Scale. These scales are used for sinter manufacture.

Iron/Steel Scrap/Rejected Billets (Rolling Mill) : Total generation of Iron/Steel Scrap/Rejected Billets from existing plant at full production capacity is 20000 TPA.

Iron/Steel Scrap 15000 TPA is generated during cutting of steel bars at BSM, ASM of Rolling Mill. Steel Scrap is also generated from Bright Bar Section and Coiler. Rejected Billets 5000 TPA from Rolling Mill are also generated at full production capacity. These solid wastes are recycled by melting in the steel manufacturing.

Grinder Waste (Rolling Mill) : It is generated during removal of upper layer of steel bars at Bright Bar Section. Total quantity of grinder waste generation is about 5000 TPA. This waste is recycled to SMS section for melting and reuse.

Coal Rejects/Fines (Coal Washery) : This waste is generated in the process of screening of crushed and wet coal at Coal Washery. The stone and shells of the coal are separated at screening. It is estimated 84000 TPA at full production capacity and are reused as fuel in power plant within the premises.

Granulated MBF Slag : Granulated MBF slag is taken from the bottom of MBF. The generation of MBF slag is 112500 TPA at full production capacity. This slag is partly used for making concrete roads within factory premises and balance is disposed by sale to cement plants.

Residue at MBF Gas Cleaning Plant: It is separated in thickener of Gas Cleaning Plant at MBF. The generation is 20000 TPA at full production capacity. This residue is used for sinter manufacture.

Coke Fines & Nuts (MBF Plant) : Coke fines are generated at MBF. The generation is 17500 TPA at full production capacity. Coke Fines are used in the sinter plant for manufacturing sinter.

Iron Ore Fines & Sinter (DRI & MBF Plant) : Iron Ore fines and Sinter are generated at DRI Plant & MBF. Total generation is 132900 TPA at full production capacity. Iron Ore Fines generation at DRI Plant is 27900 TPA and at MBF Iron Ore Fines and Sinter generation is 10500 TPA at full production capacity. Iron Ore Fines are used in the sinter plant for manufacturing sinter.

Hot Returned Ore (Sinter Plant) : Hot returned ore is generated in Sinter plant 85000 TPA at full production capacity. Hot returned Ore is recycled in sinter plant.

Removed dust (Sinter Plant) : Removed dust is generated in Sinter plant 12500 TPA at full production capacity. Removed dust is recycled in sinter plant.

All stock piles and waste are and will be laid on top of a stable liner to avoid leaching of materials to ground water. Some plants of Brassicaceae family will be planted near raw material storage yard, ash disposal site as well as around the project area as a precautionary measure of phytoremediation.

4.7.2 Hazardous Waste

Used/Spent Oil (Schedule-1, Category No. 5.1): Lubrication and other oils used in machineries lose their properties after use for some days. Used oils removed from machineries, gear boxes, compressors etc are collected in drums and the well-packed drums are temporarily stored in specifically earmarked area within the premises.

These oils will be used in furnaces/Boilers and also for anti-rust coating of rolled steel products and also sold to authorized reproprocessors/recyclers.

Acid Residue, Spent Bath Sludge and ETP Chemical Sludge (Category No. 12.1, 12.2 & 35.3): Spent acid, acid residue and spent bath sludge generated at Bright Bar Section and Coinage Plant is transported to CETP (Common Effluent Treatment Plant) for treatment. Similarly spent acid, acid residue, spent bath sludge and rinsing water generated at Centralized Pickling Plant is drained to CETP for the treatment.

In CETP, neutralization is carried out and after flocculation, suspended solids are separated out at clarifier & gravity sand filters. Suspended solids in the form of dried sludge separated at gravity sand filters is termed as CETP Chemical Sludge.

At CPP, regeneration of DM Plant is carried out periodically using acid and sodium hydroxide. Effluent of DM Plant is very small and after neutralization in underground pit, the overflow of the pit is mixed with other treated effluents for disposal. Underground Pit of the DM Plant section is cleaned once in six months and solids are solar dried at CETP. These solids are termed as CETP chemical Sludge.

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 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, 2023 consisted of:-

Non-executive Director/s	Executive Director/s
Promoter Group Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) Non-executive Chairman Mr. Suhrit Bhardwaj (DIN - 02318190) Non-executive Director	Promoter Group Mr. Pranav Bhardwaj (DIN - 00054805) Managing Director
Non-Promoter Group - Independent Director/s CA Neelam Kothari (DIN - 06709241) Mr. Sajiv Dhawan (DIN - 00160085) Mr. Anand Sadashiv Kapre (DIN - 00019530) CA Vinita Bahri (DIN - 03109454) CA M. A. V. Goutham (DIN - 00101447) Mr. Tirthnath Jha (DIN - 07593002)	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)

Note: During the Financial Year under review i.e. 2022-23:

- Pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act (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], Mr. Sajiv Dhawan (DIN - 00160085) has been reappointed as Director (Category - Non-executive, Independent) of the Company, for a fixed second term of consecutive five (5) years i.e. from 27th September, 2022 till 26th September, 2027.
- 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, (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 17 and other applicable Regulation/s of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended], CA M. A. V. Goutham (DIN - 00101447) has been appointed as a Director (Category - Non-executive, Independent) of the Company, for a fixed first term of consecutive three (3) years i.e. from 12th August, 2022 till 11th August, 2025.
- 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, (including any statutory modification(s) or re-enactment thereof for the time being in force), and Regulation 17 and other applicable Regulation/s of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended], Mr. Tirthnath Jha (DIN - 07593002) has been appointed as a Director (Category - Non-executive, Independent) of the Company, for a fixed first term of consecutive three (3) years i.e. from 3rd September, 2022 till 2nd September, 2025.
- Dr. E. R. C. Shekar (DIN - 00013670) and Mr. Kumar Jitendra Singh (DIN - 00626836), Non-executive, Independent Director/s of the Company have ceased as Director/s (Category - Non-executive, Independent) w.e.f 28th September, 2022 due to completion of their second term.

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

The attendance of the Director/s at the Board Meeting/s and 36th 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, 2023 :

- Five (5) meeting/s of the Board were held on 29th April, 2022, 27th May, 2022, 12th August, 2022, 12th November, 2022 and 7th February, 2023 during the financial year 2022-23.
- Thirty-sixth (36th) Annual General Meeting (AGM) was held on 28th September, 2022.

S.N.	Name of Director	No. of Board Meetings Attended	Whether Attended last AGM	Directorship in other Companies#	No. of Committee/s in the Listed entities including Sunflag		Partnership in Firm or LLP
					As a Chairperson	As a Member	
1	Mr. Ravi Bhushan Bhardwaj	5	Yes	3	3	1	-
2	Mr. Pranav Bhardwaj	4	Yes	6	1	3	-
3	Dr. E. R. C. Shekar (*)	3	Yes	1	-	-	-
4	Mr. Kumar Jitendra Singh (*)	3	Yes	-	-	-	-
5	CA Neelam Kothari	5	Yes	-	2	3	1
6	Mr. Surendra Kumar Gupta	5	Yes	7	1	5	-
7	Mr. Suhrit Bhardwaj	2	Yes	1	-	-	-
8	CA Rambhatla Muralidhar	5	Yes	4	-	3	-
9	Mr. Ramchandra Vasant Dalvi	5	Yes	2	-	2	1
10	Mr. Sajiv Dhawan	5	Yes	1	-	3	-
11	Mr. Anand Sadashiv Kapre	5	Yes	2	1	4	-
12	CA Vinita Bahri	3	Yes	-	-	4	-
13	CA M. A. V. Goutham (**)	2	Yes	-	-	-	-
14	Mr. Tirthnath Jha (##)	2	Yes	-	-	-	-

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

(*) Ceased w.e.f 28th September, 2022 (**) Appointed w.e.f. 12th August, 2022 (##) Appointed w.e.f. 3rd September, 2022

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 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	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CA Neelam Kothari	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Anand S. Kapre	✓	✓	-	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	
Mr. Sajiv Dhawan	✓	-	✓	✓	✓	✓	-	✓	-	✓	✓	✓	✓	✓	
CA Vinita Bahri	✓	-	✓	✓	✓	✓	-	-	-	✓	✓	✓	✓	✓	
Mr. Suhrit Bhardwaj	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
CA M. A. V. Goutham	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	
Mr. Tirthnath Jha	✓	✓	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

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 2022-23, 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 2022-23. 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 25th March, 2023 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 Familiarization 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 the 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 <https://sunflagsteel.com/wp-content/uploads/2023/06/FAMILIARIZATION-PROGRAMME-March-2023.pdf>.

f) Evaluation of the Board's Performance:-

During the Financial Year 2022-23, the Board continued with a formal mechanism for evaluating its performance as well as that of its Committee/s 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) Senior Management :-

Senior Management of the Company consist of Chief Operating Officer, the functional heads of the Company, Company Secretary and Chief Financial Officer of the Company. During the period under review there were no significant changes in the senior management of the Company.

h) 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.

i) 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.

j) 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.

k) 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.

l) Brief Profile of Directors:-

Mr. Ravi Bhushan Bhardwaj (DIN - 00054700) - Non-executive Chairman

Mr. Ravi Bhushan Bhardwaj, age 79 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, Share Transfer Committee and Stakeholders' Relationship Committee and Member of 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 49 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 Chairman of Sub-Committee of the Board and Member of Corporate Social Responsibility (CSR) Committee, Stakeholders' Relationship Committee and Share Transfer Committee of the Company. He is holding 16,12,140 (0.89%) equity shares in the capital of the Company.

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

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 43 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 Chairman of Risk Management Committee and Member of Share Transfer Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee, Project Monitoring 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 Bhardwaj (DIN - 02318190) – Director (Category – Non-executive & Promoter)

Mr. Suhrit Bhardwaj, age 48 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 68 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 43 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 of the Company. 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 73 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) and Facor Steels Limited (Year 2001-2011) 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 and Sub-Committee of the Board. 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 52 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 chairperson of Audit Committee and Nomination and Remuneration Committee and Member in Stakeholders Relationship Committee, Risk Management Committee and Project Monitoring 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 52 years, is a graduate in Classics – Latin from the Leeds University, UK. He has been involved in the Indian Equity Markets for the last 22 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. He is member of Audit Committee, Corporate Social Responsibility Committee and Project Monitoring Committee of the Board. 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 74 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 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 the Chairman of Project Monitoring Committee and member in Nomination and Remuneration Committee and Share Transfer Committee of the Board. Further, he holds 26 (0.000014%) equity shares in the Capital of the Company.

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

CA Vinita Bahri, age 53 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-one 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. She is a member of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Sub-Committee of the Board. Further, she does not hold any equity share in the Capital of the Company.

CAM. A. V. Goutham (DIN: 00101447) – Non-executive, Independent Director

CAM. A. V. Goutham, age 71 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 39 years of experience in the various fields viz. Accounting, Taxation, Administration and Finance. He has worked with various companies viz. A P State Financial Corporation, Hindustan Ship Yards Ltd, Lubrizol India Ltd 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. He is not a member in any Committee of the Board of the Directors of the Company. Further, he does not hold any equity share in the Capital of the Company.

Mr. Tirthnath Jha (DIN: 07593002) – Non-executive, Independent Director

Mr. Tirthnath 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 has 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 Engineer 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. He is not a member in any Committee of the Board of the Directors of the Company. Further, he 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, 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 of schemes involving merger, demerger, amalgamation etc. on the Company 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:-

- Chairperson** : Dr. E. R. C. Shekar - Non-executive, Independent Director (up to 28th September, 2022) and CA Neelam Kothari - Non-executive, Independent Director (w.e.f. 28th September, 2022)
- Members** : Mr. Sajiv Dhawan, Mr. Kumar Jitendra Singh (up to 28th September, 2022) and CA Vinita Bahri (w.e.f. 28th September, 2022) Non-executive, Independent Director/s of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary

Invitees / Participants:-

- Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- Mr. Surendra Kumar Gupta, Deputy Managing Director
- CAR. Muralidhar, Director (Finance)
- Mr. Anand S. Kapre, Non-executive, Independent Director
- Mr. S. Mahadevan Iyer, Chief Financial Officer
- Statutory Auditors
- Secretarial Auditors
- Internal Auditors
- Cost Auditors

d) Meetings and Attendance:-

During the Financial Year 2022-23, Five (5) meeting/s of the Audit Committee were held on 29th April, 2022, 27th May, 2022, 12th August, 2022, 12th November, 2022 and 7th February, 2023.

Attendance:-

Name of Director	Dr. E.R.C. Shekar (*)	Mr. Kumar Jitendra Singh (*)	CA Neelam Kothari	Mr. Sajiv Dhawan	CA Vinita Bahri (#)
No. of Meetings Attended/Held	3/3	3/3	5/5	2/5	2/2

(*) – Ceased w.e.f. 28th September, 2022

(#) – Appointed w.e.f. 28th September, 2022

4) NOMINATION AND REMUNERATION COMMITTEE:-

a) Composition:-

Nomination and Remuneration Committee consists of the following Directors viz.

- Chairperson** : Dr. E. R. C. Shekar - Non-executive, Independent Director (up to 28th September, 2022) and CA Neelam Kothari - Non-executive, Independent Director (w.e.f. 28th September, 2022)
- Members** : Mr. Kumar Jitendra Singh, Non-executive, Independent Director (up to 28th September, 2022); CA Vinita Bahri and Mr. Anand S. Kapre, Non-executive, Independent Director/s (w.e.f. 28th September, 2022) 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:-

- 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;
- 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:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- while formulating the policy under (1) above, ensure that:
 - 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - 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.
- 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.
- 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 2022-23, Four (4) meeting/s of the Nomination and Remuneration Committee were held on 26th May, 2022, 12th August, 2022, 24th August, 2022 and 7th February, 2023.

Attendance:-

Name of Director	Dr. E.R.C. Shekar(*)	CA Neelam Kothari	Mr. Kumar Jitendra Singh(*)	Mr. Ravi Bhushan Bhardwaj	Mr. Anand S. Kapre (#)	CA Vinita Bahri (#)
No. of Meetings Attended/Held	3/3	4/4	3/3	4/4	1/1	1/1

(*) – Ceased w.e.f. 28th September, 2022

(#) – Appointed w.e.f. 28th September, 2022

- 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 limits prescribed under 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 specific 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 Companies Act, 2013 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 7th February, 2023 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 2022-23, in the manner as below:

- i All the Non-executive Directors of the Company except Mr. Suhrit Bhardwaj and Mr. Ravi Bhushan Bhardwaj, be paid Rs. 3,00,000/- 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 2022-23.
(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 2022-23 is as follows:

Dr. E.R.C. Shekar	: ₹ 1,48,768*
Mr. Kumar Jitendra Singh	: ₹ 1,48,768*
CA Neelam Kothari	: ₹ 3,00,000
Mr. Sajiv Dhawan	: ₹ 3,00,000
Mr. Anand S. Kapre	: ₹ 3,00,000
CA Vinita Bahri	: ₹ 3,00,000
CA M. A. V. Goutham	: ₹ 1,90,685*
Mr. Tirthnath Jha	: ₹ 1,72,603*

and the sum of ₹ 1,50,09,791/- to Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company.

* CA M.A.V. Goutham and Mr. Tirthnath Jha, appointed as Director/s (Category-Non-executive, Independent) of the Company w.e.f. 12th August, 2022 and 3rd September, 2022 respectively. Also, Dr. E. R. C. Shekar, and Mr. Kumar Jitendra Singh, Non-executive, Independent Directors of the Company have ceased to be Directors of the Company w.e.f. 28th September, 2022. Accordingly, a provision for the proportionate amount (Commission) is made towards the Commission payable to the said Director/s for the financial year 2022-23.

e) The details of Remuneration and Sitting fees, for the Financial Year 2022-23 and Commission for the Financial Year 2021-22 paid to all the Directors during the Financial Year 2022-23 is as under:

Name	Designation	Sitting Fees (₹)	Remuneration perquisites and Benefits (₹)	Commission for the FY 2021-22 (₹)	Total Amount (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	-	-	1,44,93,684	1,44,93,684
Mr. Pranav Bhardwaj	Managing Director	-	2,24,83,968	5,23,34,207	7,48,18,175
Dr. E.R.C. Shekar	Non-executive, Independent Director	1,15,000	-	2,60,000	3,75,000
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	1,08,000	-	2,60,000	3,68,000
CA Neelam Kothari	Non-executive, Independent Director	1,74,000	-	2,60,000	4,34,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	1,32,000	-	2,60,000	3,92,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	1,11,000	-	2,60,000	3,71,000
CA Vinita Bahri	Non-executive, Independent Director	1,02,000	-	2,60,000	3,62,000
Mr. Suhrit Bhardwaj	Non-executive, Director	-	-	-	-
Mr. Surendra Kumar Gupta	Deputy Managing Director	-	1,46,22,798	-	1,46,22,798
CA Rambhatla Muralidhar	Director (Finance)	-	1,17,97,618	-	1,17,97,618
Mr. Ramchandra Vasant Dalvi	Director (Technical)	-	1,05,95,215	-	1,05,95,215
CA M. A. V. Goutham	Non-executive, Independent Director	45,000	-	-	45,000
Mr. Tirthnath Jha	Non-executive, Independent Director	45,000	-	-	45,000
	TOTAL	8,32,000	5,94,99,599	6,83,87,891	12,87,19,490

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 2022-23 is as under:

Name	Designation	Proposed Commission for the Financial Year 2022-23 (₹)
Mr. Ravi Bhushan Bhardwaj	Non-executive Chairman	1,50,09,791
Mr. Pranav Bhardwaj	Managing Director	5,40,96,599
Dr. E. R. C. Shekar	Non-executive, Independent Director	1,48,768
Mr. Kumar Jitendra Singh	Non-executive, Independent Director	1,48,768
CA Neelam Kothari	Non-executive, Independent Director	3,00,000
Mr. Sajiv Dhawan	Non-executive, Independent Director	3,00,000
Mr. Anand Sadashiv Kapre	Non-executive, Independent Director	3,00,000
CA Vinita Bahri	Non-executive, Independent Director	3,00,000
Mr. Suhrit Bhardwaj	Non-executive, Director	-
CA M.A.V. Goutham	Non-executive, Independent Director	1,90,685
Mr. Tirthnath Jha	Non-executive, Independent Director	1,72,603
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:

- I. 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.
- II. Review of measures taken for effective exercise of voting rights by shareholders.

- III. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- IV. 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.
- V. 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:-

Dr. E. R. C. Shekar, Non-executive, Independent Director was the Chairperson of the Stakeholders' Relationship Committee up to 28th September, 2022 and thereafter Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman of the Company became Chairperson w.e.f. 28th September, 2022. Mr. Pranav Bhardwaj, Mr. Surendra Kumar Gupta and CA Neelam Kothari, are the Committee Members while CS Ashutosh Mishra, Company Secretary & Compliance Officer is Secretary to the Committee.

Meetings:-

During the Financial Year 2022-23, the Committee had Four (4) meeting/s on 27th May, 2022, 12th August, 2022, 12th November, 2022 and 7th February, 2023 and it reviewed:

- a) the system of handling with and responding to complaints received from the Shareholders and Investors.
- b) 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	23	23	NIL

6) SHARE TRANSFER COMMITTEE:-

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

Composition:-

- Chairperson** : Mr. Ravi Bhushan Bhardwaj, Non-executive Chairman
- Members** : Mr. Pranav Bhardwaj and Mr. Surendra Kumar Gupta, Executive Director/s and Dr. E. R. C. Shekar, Non executive, Independent Director (up to 28th September, 2022) and Mr. Anand S. Kapre (w.e.f. 28th September, 2022) of the Company.
- Secretary** : CS Ashutosh Mishra, Company Secretary.

Meetings :-

During the Financial Year 2022-23, the Committee had Four (4) meeting/s on 27th May, 2022, 12th August, 2022, 12th November, 2022 and 7th February, 2023.

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 2022-23 under review, many rightful shareholders have claimed shares from this account by complying with the prescribed formalities and IEPF holds 30,88,677 shares as on 31st March, 2023 under the IEPF Rules.

- d) SEBI, effective 1st April, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. 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 1st April, 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. Further SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, extended the above date of 1st April, 2023 to September 30, 2023 and directed the Company/RTA to send 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 before 31st May, 2023 and directed RTA to file the report about Compliance of this.

Accordingly, the Company/RTA had complied with the requirements and sent the required communication to all the shareholders who are holding the shares in physical format on 31st May, 2023.

Further, 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 on 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 2022-23.

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. The Committee is headed by Mr. Ravi Bhushan Bhardwaj and consists of Mr. Surendra Kumar Gupta, Mr. Pranav Bhardwaj, Mr. Ramchandra Vasant Dalvi, Mr. Sajiv Dhawan and CA Vinita Bahri as its Members.

During the Financial Year 2022-23, the CSR Committee had Five (5) meeting/s on 27th May, 2022, 10th August, 2022, 12th November, 2022, 7th February, 2023 and 25th March, 2023, 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	2 / 2
3	Mr. Surendra Kumar Gupta	Member - Deputy Managing Director	5 / 5
4	Mr. Kumar Jitendra Singh (*)	Member - Non Executive, Independent Director	2 / 2
5	Mr. Pranav Bhardwaj	Member, Managing Director	1 / 5
6	Mr. Ramchandra Vasant Dalvi	Member, Director (Technical)	5 / 5
7	Mr. Sajiv Dhawan (#)	Member- Non-Executive, Independent Director	2 / 3
8	CA Vinita Bahri (#)	Member- Non-Executive, Independent Director	3 / 3

(*) – Ceased to be the Member of the Committee w.e.f. 28th September, 2022

(#) – Appointed as the Member of the Committee w.e.f. 28th September, 2022

Secretary : CS Ashutosh 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;

- ii. 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);
- iii. monitor the Corporate Social Responsibility (CSR) Policy of the Company from time to time; and
- iv. 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	₹ 182,59,03,166/-
2	Prescribed CSR Expenditure [two percent (2%) of the amount as in item 1 above]	₹ 3,65,18,063/-
3	Details of CSR expenditure during the FY 2022-23:- a) Total amount to be spent for the FY 2022-23 b) Amount unspent, if any;	₹ 3,65,18,063/- Out of the total sum of ₹ 3,65,18,063/-, the Company has incurred, a sum of ₹ 1,81,18,289/- on the CSR activities and the sum of ₹ 1,83,99,774/- have been allocated for capital expenditure on "Project P-3 – Construction of RCC Road (Rural Development) - tenure 2 years.
	c) Manner in which the amount spent during the FY 2022-23	The manner in which the amount spent and allocated is detailed in the Annexure II to Board's Report.

Further, during the period under review amount of ₹ 4,00,00,000/- on the Project P-1(Construction of Auditorium) against the total allocated fund of ₹ 4,00,00,000/- and the amount of ₹ 1,00,00,000/- on the Project P-1 (Construction of Auditorium – Phase II) against the total allocated fund of ₹ 1,00,00,000/-, have been spent by the Company.

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 2022-23, the entire mandated amount of ₹ 3,65,18,063/- to be spent by the Company during the Financial Year 2022-23 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 2022-23 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; and
- (8) Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- (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) meeting/s held on 10th August, 2022 and 7th February, 2023 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 (Up to 28 th September, 2022)	Chairperson - Non executive, Independent Director	1/1
2	Mr. Surendra Kumar Gupta (Chairperson - w.e.f. 28 th September, 2022)	Chairperson - Deputy Managing Director	2/2
3	CA R. Muralidhar	Member - Director (Finance)	2/2
4	CA Neelam Kothari (Member – w.e.f. 28 th September, 2022)	Member - Non-executive, Independent Director	1/1

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 :-

Chairperson : Dr. E. R. C. Shekar, Non-executive, Independent Director (Up to 28th September, 2022) and Mr. Anand S. Kapre, Non-executive, Independent Director (w.e.f. 28th September, 2022)

Members : Mr. Kumar Jitendra Singh, Non-executive, Independent Director (Up to 28th September, 2022), Mr. Surendra Kumar Gupta, Deputy Managing Director, CA R. Muralidhar, Director (Finance) and CA Neelam Kothari and Mr. Sajiv Dhawan, Non-executive, Independent Director/s w.e.f. 28th September, 2022.

Secretary : CS Ashutosh Mishra, Company Secretary

Invitee / participant : Mr. S. Mahadevan, CFO

Meetings and Attendance:-

During the Financial Year 2022-23, Three (3) meeting/s of the Project Monitoring Committee (PMC) were held on 10th August, 2022, 12th November, 2022 and 24th March, 2023:

S. N.	Name of Director	Category of Director	No. of meetings Attended/Held
1	Dr. E.R.C. Shekar (*)	Non-executive, Independent Director	1/1
2	Mr. Kumar Jitendra Singh(*)	Non-executive, Independent Director	1/1
3	Mr. Surendra Kumar Gupta	Deputy Managing Director	3/3
4	CA R. Muralidhar	Director (Finance)	3/3
5	Mr. Anand S. Kapre (**)	Non-executive, Independent Director	2/2
6	CS Neelam Kothari (#)	Non-executive, Independent Director	2/2
7	Mr. Sajiv Dhawan (#)	Non-executive, Independent Director	2/2

(*) – Ceased to be the Member of the Committee w.e.f. 28th September, 2022

(**) – Appointed as the Member and Chairperson of the Committee w.e.f. 28th September, 2022

(#) – Appointed as the Member of the Committee w.e.f. 28th September, 2022

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 victimization of anyone who is using this platform. Direct access to the Chairperson 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:

- To protect the brand, reputation and assets of the Company from loss or damage, resulting from suspected or confirmed incidents of fraud / misconduct;
- To provide guidance to the employees, vendors and customers on reporting any suspicious activity and handling critical information and evidence;
- To provide healthy and fraud-free work culture;
- 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
- 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	36 th AGM-2022	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Wednesday, the 28 th September, 2022 at 12:00 P.M.
2	35 th AGM - 2021	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Monday, the 13 th September, 2021 at 12:00 P.M.
3	34 th AGM-2020	Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM")	Monday, the 21 st September, 2020 at 3:00 P.M.

b) Some Special Resolution/s 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 has 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 CA M.A.V. Goutham (#) Mr. Tirthnath Jha (##)	Non-executive, Independent Directors
Mr. Suhrit Bhardwaj	Non-executive, Non-independent Director (Promoter and Promoter Group) [Relative to Key Managerial Personnel (KMP)]
Madanpur (North) Coal Block Private Limited C T Mining Private Limited Daido D.M.S. India Private Limited Ramesh Sunwire Private Limited	Joint Venture Companies (Associate)
Shrihari Coal and Power Private Limited	Mr. Surendra Kumar Gupta, Deputy Managing Director, being father of Mr. Mitesh Surendra Gupta, Director of M/s. Shrihari Coal and Power Private Limited

(**) Ceased to be the Directors (Category - Non-executive, Independent) w.e.f. 28th September, 2022

(#) Appointed as a Director (Category - Non-executive, Independent) w.e.f. 12th August, 2022

(##) Appointed as a Director (Category - Non-executive, Independent) w.e.f. 3rd September, 2022

b) Transactions with the related parties:-

Sr. No.	Particulars		Amount (₹)
a)	Subsidiary Company	- CSR Expenses	3,65,18,063
b)	Associate Enterprise	- Rent paid	56,99,400
c)	Key Managerial Personnel, Promoter and Promoter Group	- Remuneration and Commission (including Commission to Non-executive Chairman)	13,70,98,794
d)	Independent Directors	- Sitting Fees and Commission to Non-executive, Independent Directors	23,92,000
e)	Joint Venture - Ramesh Sunwire Private Limited	- Sale of Goods (Wire Rods)	35,04,81,803
		- Purchase of Wire Rods Scrap	20,23,276
		- Other	4,79,524
f)	Shrihari Coal and Power Private Limited	- Transportation contract	45,21,24,427

The Board has approved a policy for dealing with related party transactions which has been uploaded on the Company's website at <https://sunflagsteel.com/wp-content/uploads/2022/02/Policy-on-Materiality-of-Related-Party-Transactions-and-dealing-with-Related-Party-Transactions-1.2.pdf>.

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 2022-23 :

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.

Financial Year	Details of non-compliance	Name of the Authority and Fine Levied
2022-23	Nil	Nil
2021-22	Regulation 29(2) /29(3) of SEBI (LODR) Regulations, 2015- Delay in furnishing prior intimation for an Agenda Item regarding Fund raising considered at the meeting of the Board of Directors of the Company held on 10 th February, 2022.	i) BSE Limited [BSE] and (ii) National Stock Exchange of India Limited [NSE], levied a fine of Rs. 10,000/- each excluding GST of (Rs. 1,800/-) The Company, in pursuance to the compliance of respective Orders, viz Regret Letter of BSE via e-Mail 26 th July, 2022 and NSE Order No. NSE/LIST/SOP/0642 Dated 18 th August, 2022, has remitted the fine accordingly.
2020-21	Nil	Nil

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 IND AS 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 2022-23, 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). The Audit Committee had reviewed the annual audited financial statements and Minutes of the meeting/s 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 at <https://sunflagsteel.com/wp-content/uploads/2022/02/Policy-for-Determining-material-subsiidiary-1.2.pdf>

- 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-seventh (37th) Annual General Meeting
- b) Book Closure Dates
- c) Cut-off date for e-Voting
- d) Record Date for Dividend Payment
- e) **Financial Year - 1st April, 2023 to 31st March, 2024 (Calendar)**
- i) Unaudited Financial Results for the First Quarter (Q-1) ending 30th June, 2023
- ii) Unaudited Financial Results for the Second Quarter (Q-2) and Half Year (H-1) ending 30th September, 2023
- iii) Unaudited Financial Results for the Third Quarter (Q-3) ending 31st December, 2023
- iv) Audited Financial Results for the Fourth Quarter (Q-4) and Financial Year ending 31st March, 2024
- f) **Listing of Equity Shares**
- For the Financial Year 2022-23, 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 2023-24 has already been paid to both these Stock Exchanges.
- g) **Equity Shares - Stock Codes**
- Trading Symbol at Stock Exchanges
- Demat ISI Number in NSDL & CDSL
- 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:-

- Thursday, 21st September, 2023 at 12.00 PM
- Saturday, 9th September, 2023 to Thursday, 21st September, 2023 (both days inclusive)
- Thursday, 14th September, 2023
- Not applicable since no dividend proposed
- Tentative Schedule**
- On or before 14th August, 2023 or such extended permissible timeline
- On or before 14th November, 2023 or such extended permissible timeline
- On or before 14th February, 2024 or such extended permissible timeline
- On or before 30th May, 2024 or such extended permissible timeline
- **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

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 2022	136.10	62.10	136.85	62.95	60845	56009	18115	16825
May 2022	120.75	88.45	120.90	88.50	57184	52632	17133	15736
June 2022	103.65	73.50	103.75	71.80	56433	50921	16794	15183
July 2022	85.90	77.70	85.95	77.60	57619	52094	17173	15511
August 2022	94.45	79.10	95.40	80.80	60411	57367	17992	17155
September 2022	95.60	79.00	95.75	79.25	60676	56147	18096	16748
October 2022	86.95	79.30	86.50	79.35	60787	56683	18023	16856
November 2022	92.60	81.40	92.80	81.55	63303	60425	18816	17959
December 2022	118.55	90.05	118.60	90.05	63583	59754	18888	17774
January 2023	146.00	111.60	146.05	111.55	61344	58699	18252	17406
February 2023	150.95	124.30	151.00	124.30	61682	58796	18135	17255
March 2023	162.85	129.80	162.85	129.85	60498	57085	17800	16828

(Source: Official website of BSE Limited and 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, 2023 :-

Shareholding of nominal value of		Shareholders		Value of Shares	
₹	₹	Number	%	Amount (₹)	%
Upto 5,000		54,336	87.39	7,62,96,810	4.23
5,001	10,000	4,335	6.97	3,51,44,220	1.95
10,001	20,000	1,816	2.92	2,77,01,520	1.54
20,001	30,000	563	0.91	1,45,39,850	0.81
30,001	40,000	237	0.38	85,78,140	0.48
40,001	50,000	254	0.41	1,22,14,930	0.68
50,001	1,00,000	319	0.51	2,38,03,380	1.32
1,00,001	1,80,21,94,480	314	0.51	1,60,39,15,630	88.99
Total		62,174	100.00	1,80,21,94,480	100.00

j) b(i) Pattern of Shareholdings as on 31st March, 2023:-

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	19	15,94,726	0.89
4	Non-Resident Indians	354	4,40,199	0.25
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	322	50,03,097	2.78
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust / Proprietary Firm	12	60,988	0.03
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	61,371	5,94,94,868	33.01
11	Clearing Members and Corporations	81	2,78,062	0.16
12	IEPF Authority (MCA)	1	30,88,677	1.71
Total		62,174	18,02,19,448	100.00

j) b(ii) Pattern of Shareholdings as on 31st March 2023 :-

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	19	15,94,726	0.89
4	Non-Resident Indians and FIIs	347	4,40,199	0.25
5	Financial Institutions	3	40,800	0.02
6	Bodies Corporate (Indian)	318	50,03,097	2.78
7	Banks (Nationalised and Others)	5	1,260	-
8	Mutual Funds / UTI / Trust / Proprietary Firm	12	60,988	0.03
9	Bodies Corporate (Foreign)	1	1,80,21,945	10.00
10	Indian Public including the Directors, KMP's and their Relatives	60,452	5,94,94,868	33.01
11	Clearing Members and Corporations	69	2,78,062	0.16
12	IEPF Authority (MCA)	1	30,88,677	1.71
Total		61,232	18,02,19,448	100.00

* The difference of 942 (62174 less 61232) 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, 2023, there were 11,14,37,747 equity shares dematerialised through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 61.83 % 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 2022-23 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 27th May, 2023.
- 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 1305.19 Crore (Enhanced from INR 857.09)	CARE A+; Stable (Single A plus; Outlook: Stable) [Reaffirmed]
2.	Long Term / Short Term Bank Facilities	INR 350.00 Crore (Enhanced from INR 348.10)	CARE A+; Stable/CARE A1+ (Single A Plus; Outlook: Stable / A One plus) [Reaffirmed]
3.	Commercial Paper (Proposed)	INR 100 Crore	CARE A1 + (A one Plus) [Reaffirmed]

- 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 2022-23 is ₹ 23,25,000/- .
- 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 2022-23 does not contain any modified opinion.

For and on behalf of the Board

Nagpur
11th August, 2023

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 2022-23.

For and on behalf of the Board

Nagpur
11th August, 2023

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 2022–2023 ended 31 March 2023, 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 2022–2023 ended 31 March 2023.

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 11 day of August 2023 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): F004343E000790524 Dated 11 August 2023.

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, declarations and 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 Representative/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 certify that None of the Director/s on the Board of the Company as stated below for the financial year 2022–2023 ended 31 March 2023 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. Anand Sadashiv Kapre	00019530	12/11/2019
3.	Mr. Ravi Bhushan Satya Dev Bhardwaj	00054700	01/10/1998
4.	Mr. Pranav Ravi Bhardwaj	00054805	03/02/2000
5.	Mr. Surendra Kumar Premnarayan Gupta	00054836	21/05/2017
6.	Mr. Mattegunta Goutham Anjani Venkatramana	00101447	12/08/2022
7.	Mr. Sajiv Dhawan	00160085	12/08/2019
8.	Mr. Muralidhar Rambhatla	00982212	14/08/2017
9.	Mr. Suhrit Ravi Bhushan Bhardwaj	02318190	27/03/2017
10.	Mrs. Vinita Bahri	03109454	13/03/2020
11.	Mrs. Neelam Naresh Kothari	06709241	29/09/2014
12.	Mr. Tirthnath Jha Indranath	07593002	03/09/2022

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 11 day of August 2023 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): F004343E000790557 Dated 11 August 2023.

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 standalone balance sheet as at 31st March, 2023, the standalone statement of profit and loss including other comprehensive income, the standalone statement of changes in equity and the standalone statement of cash flows for the year ended on that date, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023 and its profit and other comprehensive income, changes in equity and its cash flows 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 (ICAI) 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 we have obtained is sufficient and appropriate to provide a basis for our 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.

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". (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>	<p>Our procedures included the following:</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>Litigations Matters & Contingent Liabilities (Refer note 33 of the standalone financial statements)</p> <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>	<p>Our procedures included the following:</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 these litigations during the year ended 31st March, 2023. • 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.

Sr. No.	Key Audit Matter	Principal Audit Procedures
3.	<p>Arbitration award of Rs.1,22,610 Lakhs towards claim filed against Lloyds Metals and Energy Limited (Refer note 4 & 38 of the standalone financial statements)</p> <p>The Company received an enforceable arbitral award dated April 22, 2022 towards settlement of its claim of Rs.1,22,610 Lakhs against Lloyds Metals and Energy Limited. The Company's investment portfolio represents a significant portion of the Company's total assets Rs.1,72,209 Lakhs. The forementioned instruments are valued at fair value through other comprehensive income (FVOCI).</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the relevant accounting policies of the Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards; For instrument valued at fair value: i. Assessed the availability of quoted prices in liquid markets; ii. Assessed whether the valuation process is appropriately designed and captures relevant valuation inputs; iii. Performed testing of the inputs/assumptions used in the valuation; and iv. Assessed pricing model methodologies and assumptions against industry practice and valuation guidelines; Assessed the appropriateness of the Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the standalone financial statements.
4.	<p>Capitalization of Blooming Mill of Rs. 33,500 lakhs at Bhandara plant (Refer note 3 of the standalone financial statements)</p> <p>We have identified the capitalization of costs into Capital in progress, particularly those pertaining to Plant and Machinery as the amounts are substantial, as a key audit matter.</p> <p>As disclosed in note 3 to the Standalone financial statements, the Company has capitalized costs to construction in progress of Rs. 33,500 Lakhs, including capitalized borrowing costs, during the year.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process and testing the internal controls over the recognition of, and accrual for, costs incurred. Assessing compliance with the requirements of International Accounting Standard ("IAS") 16 Property, Plant and Equipment and IAS 23 Borrowing Costs; Reperforming the underlying calculations used in the Company's computation of borrowing costs to be capitalized and testing of the inputs used; Assessing the nature and amount of the costs incurred on the Finishing blooming Mill (Plant and Machinery) with the assistance of specialist; Agreeing costs capitalized to supporting documentation; Comparing the budget and expected cost to complete as at the end of the reporting period; and Examining, on a sample basis, payment applications issued by Company comparing to costs incurred included in capitalisation in progress.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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 the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our 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 the 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, changes in equity and cash flows of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 is 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 based on 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 internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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.

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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.
 - 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 Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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, the managerial remuneration for the year ended March 31, 2023 has been paid by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - 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, 2023 on its financial position in its standalone financial statement - Refer note 33 to the standalone financial statements.

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- 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 derivatives contracts.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) Management has represented to us that, to the best of its 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 accounts, no funds have been received by the Company from any person(s) or entities, 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 procedures conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (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 have not commented upon.

New Delhi
29th May, 2023

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

Subodh Kumar Modi
Partner
Membership No: 093684
UDIN: - 23093684BGXGTD7010

"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 ('the Company')****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' of our report of even date**

In terms of the information and explanation 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 state that :

- i) a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has no intangible assets and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- b) Property, Plant and Equipment have been physically verified by the management according to the programme of periodical verification in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. No material discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in note 3 property, plant and equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) in the standalone financial statements are held in the name of the Company.
- d) The Company has revalued its Building and Plant & Machinery during the year as disclosed in note 3 to the standalone financial statements. The revaluation is based on the valuation by a Registered Valuer. The amount of change is ₹ 3,734 Lakhs which is more than 10% of the aggregate net carrying value of Building.
- e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) a) The Company has conducted physical verification of inventory at reasonable intervals during the year except for inventory of Iron Ore, Coal, Cooking Coal and Coke etc. for which stock is taken on estimation basis and for the stock in transit. In our opinion, the coverage and procedures of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- b) As disclosed in note 20 to the standalone 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 Ended	Value as per Books of Accounts	Value as per quarterly return/ statement	Difference	Reason for discrepancies
30 th June, 2022	71,935	66,694	5,241	The Company has not claimed Drawing Power (DP) certain current assets. DP is calculated as per norms of the Lenders.
30 th September, 2022	82,086	73,826	8,260	
31 st December, 2022	63,669	65,722	(2,053)	
31 st March, 2023	74,636	72,775	1,861	

- iii) a) During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- b) During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- 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. These loans are interest free. In respect of these loans, we are informed that the Company has not demanded repayment of such loans during the year.
- 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) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- 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 interest free loans repayable on demand to related parties as defined in clause (76) of Section 2 of the Companies Act, 2013

(₹ in Lakh)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans -Repayable on demand	1,767	-	1,767
Total	1,767	-	1,767
Percentage of loans/ advances in nature of loans to the total Loans	100%	-	100%

- iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investment, guarantee and securities, as applicable.
- v) According to the information and explanation 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 of the Companies Act, 2013 and the rules made thereunder. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government of India for maintenance of cost records under Section 148(1) of the Companies Act, 2013 related to its products and are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determine whether they are accurate and complete.
- vii) a) According to the information and explanation given to us, the Company has generally been regular in depositing its undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable in arrear, as at March 31, 2023, for a period of more than six months from the date they became payable.
- b) The details of statutory dues referred to in clause 3(vii)(a) above which have not been deposited on account of any dispute, are as follows:

(₹ in Lakh)

Name of Statute	Nature of dues	Gross Amount in dispute (in Rs. lakhs)	Amount paid under protest (in Rs lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	485 (Note 1)	18	2012-2013 & 2013-2014	CESTAT, Mumbai
Customs Act, 1962	Reversal of Duty drawback	251	19	2004-2014	Commissioner (Appeal) Customs, Nhavaseva
Service Tax Act, 1994	Service Tax under RCM	10	0	2016-2019	Deputy Commissioner
Central Excise Act, 1944	Difference Central Excise Duty on VAT	285	12	2012-2015	Pending for Adjudication
CGST Act, 2017	Clean Energy Cess	80	3	2022-2023	Commissioner (Appeal)

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

- viii) According to the information and explanation given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of accounts, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) a) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not been declared wilful defaulter by any bank, financial institution 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 standalone 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 standalone 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 explanation given to us and as per the books of accounts examined by us, the Company has not raised any money during the year by way of initial public offer/ further public offer (including debt instruments), hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanation given to us and as per the books of accounts examined by us, the Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year and, hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management.
- b) No report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended with the Central Government, during the year and up to the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanation given to us and as per the books of accounts examined by us, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the standalone 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) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors hence, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- 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) of the Order is not applicable to the Company.
b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
c) The Company is not a Core Investment Company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year and immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on 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 disclosed in note to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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) a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to Sub-section (5) of Section 135 of the Companies Act, 2013. This matter has been disclosed in note 44 to the standalone financial statements.
b) All amounts that are unspent under Sub-section (5) of Section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of Sub-section (6) of Section 135 of the said Act. This matter has been disclosed in note 44 to the standalone financial statements.

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

New Delhi
29th May, 2023

Subodh Kumar Modi
Partner
Membership No: 093684
UDIN: - 23093684BGXGTD7010

**Annexure B to the Independent Auditor's Report to the members of Sunflag Iron and Steel Company Limited ('the Company')
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') and referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our
report of even date**

We have audited the internal financial controls over financial reporting of **Sunflag Iron and Steel Company Limited** ("the Company") as of 31st March, 2023, in conjunction with our audit of the standalone 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 ("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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements 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, to the extent applicable to an audit of Internal Financial Controls both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements 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 with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, 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 with reference to the standalone financial statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to the Standalone financial statements, 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 with reference to the standalone financial statements to future periods are subject to the risk that the internal financial control with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statement and such internal controls with reference to the standalone financial statements were operating effectively as at March 31, 2023, based on the internal financial 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 ICAI.

New Delhi
29th May, 2023

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

Subodh Kumar Modi
Partner
Membership No: 093684
UDIN: - 23093684BGXGTD7010

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
BALANCE SHEET AS AT 31st MARCH, 2023

Particulars	Note No.	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	1,53,654	1,19,700
b) Right of Use Assets	3	5,305	5,304
c) Capital work-in-progress	3	17,004	35,027
d) Financial assets			
i. Investments	4	1,72,209	1,389
ii. Non- Current Loans	5	1,030	1,030
iii. Other Financial Assets	6(a)	1,960	7,666
e) Other non current asset	6(b)	2,512	2,348
Total non-current assets		3,53,674	1,72,464
2. Current Assets			
a) Inventories	7	86,557	83,694
b) Financial assets			
i. Trade receivables	8	31,527	27,630
ii. Cash and cash equivalents	9(a)	1,018	1,468
iii. Bank balances other than above	9(b)	10,684	5,169
iv. Others	10	140	115
c) Income tax assets (net)	11	-	756
d) Other current assets	12	8,678	15,927
Total current assets		1,38,604	1,34,759
TOTAL ASSETS		4,92,278	3,07,223
B. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share capital	13	18,022	18,022
b) Other equity	14	3,14,829	1,55,602
Total shareholders' funds		3,32,851	1,73,624
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	37,733	18,893
ii. Lease liabilities	16(a)	5,739	5,581
iii. Other financial liabilities	16(b)	369	879
b) Provisions	17	3,468	3,404
c) Deferred tax liabilities (Net)	18	23,399	16,647
d) Other non-current liabilities	19	-	12
Total non-current liabilities		70,708	45,416
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20(a)	16,723	33,481
ii. Lease liabilities	20(b)	319	293
iii. Trade Payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		532	1,059
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		55,846	44,660
iv. Other financial liabilities	22	8,919	5,600
b) Other current liabilities	23	4,491	3,090
c) Current tax liabilities (net)	24	1,889	-
Total current liabilities		88,719	88,183
TOTAL EQUITY AND LIABILITIES		4,92,278	3,07,223

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

PRANAV BHARDWAJ
MANAGING DIRECTOR

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

CA VINITA BAHRI
DIRECTOR

SUBODH KUMAR MODI
Partner
M. No. 093684

CA R. MURALIDHAR
DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA M. A. V. GOUTHAM
DIRECTOR

New Delhi
29th May, 2023

Nagpur
29th May, 2023

ASHUTOSH MISHRA
COMPANY SECRETARY

TIRTHNATH JHA
DIRECTOR

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

Particulars	Note No.	Year Ended 31.03.2023 (₹ in Lakh)	Year Ended 31.03.2022 (₹ in Lakh)
Income			
1. Revenue from Operations	25(a)	3,48,842	2,69,826
2. Other Income	25(b)	702	451
Total Income		3,49,544	2,70,277
3. Expenses :			
Cost of Raw Materials & Components Consumed	26(a)	2,25,355	1,91,352
Other Manufacturing Expenses	26(b)	54,606	42,883
Changes in inventories of finished goods and work-in-progress	27	(2,975)	(27,218)
Employee Benefits Expense	28	10,782	9,786
Finance Costs	29	8,110	4,225
Depreciation and Amortization Expenses	30	8,065	7,631
Other Expenses	31	16,491	13,189
Total Expenses		3,20,434	2,41,848
4. Profit/(loss) before exceptional items and tax		29,110	28,429
Exceptional Items (Refer Note No.38)		1,19,286	-
Profit before tax		1,48,396	28,429
5. Tax Expense :			
(a) Current tax	18	(37,491)	(7,394)
(b) Deferred tax	18	545	605
(c) Income tax pertaining to earlier years		(18)	-
6. Net Profit after tax for the year		1,11,432	21,640
7. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- MTM gain on equity investments		48,210	-
- Revaluation gain on fixed assets		6,681	-
- Actuarial Gain on remeasurements of the defined benefit plans		73	(89)
- Gain/(Loss) on Foreign Currency hedging		128	(5)
Income tax relating to items that will not be reclassified to profit or loss			
- MTM gain on equity instruments		(5,616)	-
- Revaluation gain on fixed assets		(1,681)	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
8. Total Comprehensive Income for the year (Net of Tax)		1,59,227	21,546
9. Earnings per equity share (Amount in ₹)			
Basic	32	61.83	12.01
Diluted	32	61.83	12.01
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

SUBODH KUMAR MODI
Partner
M. No. 093684

New Delhi
29th May, 2023

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

PRANAV BHARDWAJ
MANAGING DIRECTOR

CA R. MURALIDHAR
DIRECTOR (FINANCE)

Nagpur
29th May, 2023

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

ASHUTOSH MISHRA
COMPANY SECRETARY

CA VINITA BAHRI
DIRECTOR

CA M. A. V. GOUTHAM
DIRECTOR

TIRTHNATH JHA
DIRECTOR

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Particulars	For the year ended 31.03.2023 (₹ in Lakh)	For the year ended 31.03.2022 (₹ in Lakh)
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1,48,396	28,429
Items that will not be reclassified to profit or loss	-	-
<u>Adjustments for:</u>		
Depreciation and amortisation	8,065	7,631
Exceptional Items	(1,19,286)	-
Finance costs	8,110	4,225
Interest income	(439)	(307)
Income from Mutual Fund	(5)	-
Actuarial Gain/(Loss)	73	(89)
Provision for reversal of foreign currency hedging	-	(5)
Provision for earlier years no longer required	-	804
Provision for doubtful trade and other receivables, loans and advances	145	(152)
Operating profit / (loss) before working capital changes	45,059	40,536
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(2,863)	(29,314)
Trade receivables	(4,042)	(6,456)
Short-term loans and advances	731	(744)
Long-term loans and advances	2,382	(5,261)
Other current assets	7,249	(7,544)
Other non-current assets	(164)	5,722
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	10,787	18,754
Other current liabilities	3,967	(2,752)
Short-term provisions	-	-
Other long-term liabilities	(522)	(225)
Long-term provisions	64	(1,006)
Cash generated from operations	62,648	11,710
Income Tax (paid)/refund (net)	(34,867)	(7,394)
Net cash flow from / (used in) operating activities (A)	27,781	4,316
B. Cash flow from investing activities		
Capital expenditure on Property Plant & Equipment	(16,832)	(33,865)
Proceeds from sale of Property Plant & Equipment	-	-
Other Bank deposits not considered in Cash & Cash equivalent (net)	(5,515)	25
Interest income	439	307
Income from Mutual Fund	5	-
Long-term investments in; - Joint ventures - Equity Investments	-	-
Net cash flow from / (used in) investing activities (B)	(21,903)	(33,533)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	32,500	17,500
Repayment of long-term borrowings	(6,514)	(9,112)
Net (decrease)/ increase in working capital borrowings	(23,442)	26,000
Proceeds from other short-term borrowings	-	-
Repayment of unsecured Deferred Sales Tax Loan	(462)	(648)
Finance cost	(7,518)	(3,632)
Dividends paid	-	-
Lease Repayment	(892)	(1,163)
Net cash flow (used in)/ from financing activities (C)	(6,328)	28,945
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(450)	(272)
Cash and cash equivalents at the beginning of the year	1,468	1,740
Effect of exchange differences on restatement of foreign currency	-	-
Cash and cash equivalents at the end of the year	1,018	1,468
Component of cash and cash equivalents	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
Cash and Cash Equivalents		
- Cash on hand	26	21
- Balances in current accounts	992	1,447
- Debit Balance in cash credit account	-	-
	1,018	1,468

SUNFLAG IRON AND STEEL COMPANY LIMITED, NAGPUR
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	As at the end 31 st March, 2022	Cash flows	Fair value changes	Foreign exchange movement	As at the end 31 st March, 2023
Non-Current Borrowings-Term Loan	18,893	18,840	-	-	37,733
Current Borrowings - Term Loan	6,127	6,684	-	-	12,811
Current Borrowings - Working capital	27,354	(23,442)	-	-	3,912

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

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

CA VINITA BAHRI
DIRECTOR

SUBODH KUMAR MODI
Partner
M. No. 093684

CA R. MURALIDHAR
DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA M. A. V. GOUTHAM
DIRECTOR

New Delhi
29th May, 2023

Nagpur
29th May, 2023

ASHUTOSH MISHRA
COMPANY SECRETARY

TIRTHNATH JHA
DIRECTOR

Statement of changes in equity for the year ended 31st March, 2023

a) Equity Share Capital

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1 st April, 2021	18,02,19,448	18,022
changes during the year	-	-
As at 31 st March, 2022	18,02,19,448	18,022
changes during the year	-	-
As at 31 st March, 2023	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	Equity instruments through other comprehensive income	MTM gain /(loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
As at April 01, 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
Net Profit for the year	-	-	22,168	-	-	-	-	-	22,168
Other comprehensive income for the year	-	-	-	89,264	42,594	5,000	128	73	1,37,059
Additional Depreciation (net of taxes) on Revalued assets transferred to retained earnings	-	-	1,360	-	-	(1,360)	-	-	-
As at March 31, 2023	3,785	256	1,40,864	89,264	42,594	37,369	123	574	3,14,829

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

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

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CHIEF FINANCIAL OFFICER

CA M. A. V. GOUTHAM
DIRECTOR

New Delhi
29th May, 2023

Nagpur
29th May, 2023

ASHUTOSH MISHRA
COMPANY SECRETARY

TIRTHNATH JHA
DIRECTOR

Notes forming part of the Financial Statements for the year ended 31st March, 2023**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, 2023 were authorized and approved for issue by the Board of Directors on 29th May, 2023.

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 are considered as finished goods	At the lower of the estimated net realisable value or cost

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 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 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 grant 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 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 excluding 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 (FVPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. A financial asset i.e. equity which is not classified as FVOC, are subsequently fair valued through profit or loss.

d) 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.

e) 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.

f) 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.

g) 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 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 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 :

- a. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b. 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.
- c. Specified format for disclosure of shareholding of promoters.
- d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- e. 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.
- f. 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.
- g. Material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- h. Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- i. Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.
- j. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Statement of profit and loss :

- k. 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, 2023
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	Building including Roads	Plant & Machinery	Leasehold land	Plant & Machinery		
Gross Block																
As at 01.04.2021	188	89	375	226	638	412	2,042	2,026	23,867	94,157	23,867	5,178	92	6,278	1,30,390	15,026
Additions	7,882	-	-	-	133	6	-	3	508	-	-	-	-	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	24,375	24,961	92	6,443	1,44,254	35,027
Additions	-	-	-	68	18	10	161	12	9,625	-	-	-	-	484	35,339	15,806
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,829)
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	3,734	2,947	-	-	-	-	6,681	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2023	8,070	89	375	294	789	428	2,203	2,041	37,734	1,27,232	37,734	-	92	6,927	1,86,274	17,004
Accumulated Depreciation/Amortisation																
As at 01.04.2021	-	31	356	213	451	390	1,094	1,921	986	5,408	986	-	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	2,021	-	5	1,226	19,250	-
Charge for the year	-	1	-	8	79	2	103	5	1,070	6,314	-	-	2	481	8,065	-
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment of impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2023	-	33	356	221	597	393	1,298	1,929	3,091	17,683	3,091	-	7	1,707	27,315	-
Net Block as at 31.03.2022	8,070	57	19	13	253	27	847	105	22,354	87,955	22,354	-	87	5,217	1,25,004	35,027
Net Block as at 31.03.2023	8,070	56	19	73	192	35	905	112	34,643	1,09,549	34,643	-	85	5,220	1,58,959	17,004

Notes :

- Addition to capital work in progress include ₹ 689 Lakhs finance cost capitalised during the year. (Previous Year ₹ 1075 Lakhs).
- Cost of Leasehold land is amortised over the period i.e. 95 years.
- The Company had 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, 2023 amounting to ₹ 1,818 Lakhs (Previous Year ₹ 1,770 Lakhs).
 - The Company has revalued its plant and machinery and building at the end of the year 31st March, 2023. As a result, the revaluation gain of ₹ 6681 Lakhs (Plant & Machinery ₹ 2,947 Lakhs and Buildings ₹ 3,734 Lakhs) has been accounted for in the current financial year ended 31st March, 2023 through other comprehensive income. (Previous revaluation was carried out as on 31st March, 2020).

Additional information**Assets under construction**

Capital work in progress incurred as at 31st March, 2023 amounted ₹ 17004 Lakhs (Previous Year ₹ 35027 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 01.04.2021	15,026
Additions	
Expenditure made during the year	25,406
Capitalised during the year	(5,405)
Closing as at 31.03.2022	35,027
Expenditure made during the year	15,806
Capitalised during the year	(33,829)
Closing as at 31.03.2023	17,004
Carried forward as part of CWIP As at 01.04.2021	2,036
Additions	
Expenditure made during the year	
i. Interest and other processing fees	1,075
ii. Misc. Expenses	5
iii. Capitalised during the year	(365)
As at 31.03.2022	2,751
Additions	
Expenditure made during the year	
i. Interest and other processing fees	689
ii. Capitalised during the year	(3,440)
As at 31.03.2023	-

#Pre-operative expenditure incurred in CWIP expenses

*Refer note No. 45 for information

CWIP Ageing Schedule - As on 31.03.2023

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of 31.03.2023				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	8,715	7,198	241	764	16,918
Projects temporarily suspended	-	-	-	86	86
Total	8,715	7,198	241	850	17,004

- 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, Kodolabad Iron Ore, Warpani Manganese and Navegoan mines developments. Bande Iron Ore, Warpani Manganese and Navegoan mines development is subjudice, due to change in central government ruling Bande iron ore mines, Warpani Mine and Navegoan Mines got cancelled for which the company has filed legal case in Nagpur Bench of Bombay High Court.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2023

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2023)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	86	86
Total	-	-	-	86	86

CWIP Ageing Schedule - As on 31.03.2022

(₹ in Lakh)

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, Kodolabad Iron Ore, Warpani Manganese and Navegoan mines developments. Bande Iron Ore, Warpani Manganese and Navegoan mines development is subjudice, due to change in central government ruling Bande iron ore mines, Warpani Mine and Navegoan Mines got cancelled for which the company has filed legal case in Nagpur Bench of Bombay High Court.

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

4. Non- Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Investment in equity shares (at cost, unquoted & fully paid)	2,101	2,101
Investment in equity shares (at fairvalue, quoted & fully paid)	1,70,820	-
Less : Provision for diminution in the value of investments	(712)	(712)
Total	1,72,209	1,389
Aggregate amount of unquoted investments	1,389	1,389
Aggregate amount of quoted investments	1,70,820	-

Details of Investments in equity shares
Investment in equity instruments (at cost, quoted, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
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 Block 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 Bhaiyathan Power Limited	74	74	-	-	-	-
Equity Shares in Lloyds Metals & Energy Limited. (Refer Note Below)	6,00,00,000	-	11.89	-	1,22,610	-
Add :- MTM Gain on fair value measurement of equity shares					48,210	
Total					1,72,209	1,389
Additional Information :						
Aggregate amount of quoted investments					1,22,610	-
Market value of quoted investments					1,70,820	-
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 :-

The Company has received an Arbitration award vide order dated 22nd April, 2022 read with additional/supplementary award dated 28th April, 2022 pertaining to Company's past period claims on Lloyds Metals and Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22nd April, 2022 read with additional/supplementary award dated 28th April, 2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares.

5. Non- Current loans (unsecured)

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
Loans and advances to related parties considered good #	1,030	1,030
Loans and advances to related parties considered doubtful #	737	737
Less :- Provision for Advances to JVs & Subsidiaries	(737)	(737)
# (Refer Note No.40)	<u>1,030</u>	<u>1,030</u>
# These loans are non interest bearing.		

Loans granted to promoters, directors, KMPs and other related parties

Type of Borrowers As at	As at 31.03.2023	Percentage to the Total Loans and Advances in the nature of loans	As at 31.03.2022	Percentage to the Total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	1,767	100%	1,767	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 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
6a. Other Financial Assets (unsecured)		
Security deposits	1,063	1,247
Security deposits Related Parties # (Refer Note No. 40)	28	28
Bank deposits with more than 12 months maturity	655	6,225
Interest Accrued on bank deposits	51	27
Earmarked escrow bank deposit for mine restoration obligation	133	108
Earmarked escrow current account for mine restoration obligation	30	31
	<u>1,960</u>	<u>7,666</u>
6b. Other non-current assets		
Capital advances	2,512	2,348
	<u>2,512</u>	<u>2,348</u>
7. Inventories (As taken, valued and certified by the management) (Refer note below)		
Raw materials and components on hand	26,489	29,399
Goods-in transit (raw material)	1,103	-
Work-in-progress	29,020	20,326
Finished goods	23,077	29,445
- Goods in Transit (finished goods)	2,209	1,560
Consumables, stores and spares #	4,659	2,964
	<u>86,557</u>	<u>83,694</u>
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 (a)(i))		
iii. # Consumables, stores and spares are net of provision for obsolete items, amounting to ₹ 351 Lakhs		
8. Trade receivables (Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	31,527	27,630
Unsecured, credit impaired	1,463	1,318
	<u>32,990</u>	<u>28,948</u>
Less: Provision for expected credit loss	<u>(1,463)</u>	<u>(1,318)</u>
Total	<u>31,527</u>	<u>27,630</u>

Trade receivables ageing schedule

Balance as on 31.03.2023

(₹ in Lakh)

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	27,366	4,161	-	-	-	-	31,527
(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	-	-	300	135	52	976	1,463
Total	27,366	4,161	300	135	52	976	32,990

Trade receivables ageing schedule Balance As On 31.03.2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(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

Note : Trade receivables are hypothecated to banks against working capital loans refer note No. 20 (a)(i), further trade receivables are non interest bearing and receivable in normal operating cycle.

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
9a. Cash and cash equivalents		
Cash on hand	26	21
Balances with banks in current accounts	992	1,447
Total (a)	1,018	1,468
9b. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	10,651	5,136
Earmarked Balance for Unclaimed dividend #	33	33
Total (b)	10,684	5,169
Total (a+b)	11,702	6,637
# 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	110	75
Loans & advances to employees	2	17
Export incentives receivable	3	23
Claims receivables	25	-
Total	140	115
11. Income tax assets (net)		
Advance Tax (Net of provision)	-	756
Total	-	756
12. Other current assets		
Advance to vendors	7,799	12,982
Prepaid Expenses	641	595
Balances with Statutory / Govt Authorities #	238	2,350
Total	8,678	15,927
# 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 31.03.2023		As at 31.03.2022	
	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 31.03.2023	As at 31.03.2022
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 31.03.2023		As at 31.03.2022	
	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%	1,27,86,431	7.09%

d) Shares held by promoters at the end of the year as on 31.03.2023

Sr. No.	Shareholding of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Limited, 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 31.03.2022

Sr. No.	Shareholding of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Limited, 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 29th May, 2023

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
14. Other equity		
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	1,40,864	1,17,336
Other Comprehensive income/ (Loss)		
- Revaluation Surplus	37,369	33,729
- Remeasurements of the defined benefit plans	574	501
- Equity instruments through other comprehensive income	89,264	-
- MTM Gain on fair value measurement of equity shares	42,594	-
- Effective portion of cash flow Hedges	123	(5)
Total	3,14,829	1,55,602

				As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)	
15. Non current borrowings						
Secured						
a) Term loans - from Banks				29,258	6,389	
b) Term loans - from NBFCs				19,688	16,581	
Less : Current maturities of long-term debt (refer note 20)						
- Term loans - from banks				(6,018)	(965)	
- Term loans - from NBFC				(6,593)	(4,700)	
Total (a)				36,335	17,305	
Unsecured						
a) From promoters (interest free)				1,375	1,375	
b) Others						
Interest free Sales Tax loan				223	675	
Less : Current maturities of long-term debt (refer note 20)				(200)	(462)	
Total (b)				1,398	1,588	
Total (a+b)				37,733	18,893	
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 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 and outstanding during the year :- (₹ in Lakh)						
Sr. No.	Bank Name	ROI	Sanctioned Amount	Availed / Outstanding 31-03-2023	Availed / Outstanding 31-03-2022	
1	State Bank of India	ROI for these loans ranges from 8.85% to 9.15%	15,000	2,306	3,036	
2	Axis Bank		10,000	1,767	2,167	
3	Canara Bank		6,500	1,186	1,186	
4	Indian Bank		24,000	24,000	-	
5	Axis Finance - NBFC		7,500	4,000	7,250	
6	Bajaj Finance Ltd - NBFC		7,000	5,030	9,331	
7	Bajaj Finance Ltd - NBFC		5,500	4,657		
8	Tata Capital - NBFC		6,000	6,000	-	
			81,500	48,946	22,970	
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 ₹ 223 lakhs (previous year ₹ 675 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		6,018	6,018	6,314	6,649	4,259
Term loan from NBFCs		6,593	4,809	4,042	3,405	839
Unsecured Interest Free Sales Tax Loan #		200	23	-	-	-
# Figure given are including unwinding of interest as per Ind AS.						
				As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)	
16. Other non - current financial liabilities						
a) Lease Liability						
Lease Liability Ind AS 116				6,058	5,874	
Less : Lease Liability - Current Maturity				(319)	(293)	
Net Lease Liability				5,739	5,581	
b) Other financial liabilities						
Payables for capital goods including retention money				-	644	
Security Deposits				369	235	
Total (b)				369	879	
Total (a+b)				6,108	6,460	
17. Non - current provisions						
Provision for employee benefits				749	700	
Provision for contingencies (refer below mention note)				2,719	2,704	
Total				3,468	3,404	

Movement in each class of provision as required by Ind AS - 37 during the financial year are provided below : (₹ in Lakh)

Particulars	Labour and other dues		Mine Restoration Obligation		Total	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Opening	682	682	2,022	2,509	2,704	3,191
Provision /(Reversal) during the year	-	-	-	(501)	-	(501)
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	15	14	15	14
Closing	682	682	2,037	2,022	2,719	2,704

18. Deferred tax liabilities

Particulars	As on 31.03.2023	Charge/Credit during the year	As on 31.03.2022	Charge/Credit during the previous year	As on 31.03.2021
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	6,276	59	6,217	(325)	6,542
Revaluation Gain	12,568	1,223	11,345	(446)	11,791
Fair value measurement of equity shares	5,616	5,616	-	-	-
	<u>24,460</u>	<u>6,898</u>	<u>17,562</u>	<u>(771)</u>	<u>18,333</u>
Deferred Tax Asset on					
Lease asset	(1,604)	1	(1,605)	(75)	(1,530)
Lease liability	1,585	46	1,539	35	1,504
Expenses Disallowed	1,080	99	981	(126)	1,107
	<u>1,061</u>	<u>146</u>	<u>915</u>	<u>(166)</u>	<u>1,081</u>
Net Deferred Tax Liability	<u>23,399</u>	<u>6,752</u>	<u>16,647</u>	<u>(605)</u>	<u>17,252</u>

Year ended 31.03.2023

(₹ in Lakh)

Year ended 31.03.2022

(₹ in Lakh)

b) Current Tax Expenses :

- a) Current Tax expense for the year
b) Deferred tax

(37,491)

545

(36,946)

(7,394)

605

(6,789)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31.03.2023 and 31.03.2022.

Accounting profit before tax	1,48,396	28,429
Applicable tax rate	25.168%	25.168%
Computed tax	(37,348)	(7,155)
<u>Adjustments</u>		
Revaluation Gain	458	446
Permanent disallowance	(84)	(131)
Less : Others	28	51
Net Tax Expense for the Year	<u>(36,946)</u>	<u>(6,789)</u>

As at 31.03.2023

(₹ in Lakh)

As at 31.03.2022

(₹ in Lakh)

19. Other non - current liabilities

Government grant

-

12

Total

-

12

20a) Current financial liabilities - Borrowings

Secured

Loans repayable on demand

Borrowings for working capital from banks

1,954

20,057

Customer bills discounted

1,958

7,297

(a)

3,912

27,354

Current maturities of long-term debt :

Secured

- Term loan from banks

6,018

965

- Term loan from NBFC

6,593

4,700

Unsecured

Unsecured Interest free Sales Tax loan

200

462

(b)

12,811

6,127

(a+b)

16,723

33,481

- 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.
- ii. Interest on working capital loan from Banks are charged between 7.35% to 9.60% 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 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 account of INDAS adjustments, non-tradecreditors, goods intransit, methodology used by banks for consideration of drawing power or stock statements submitted with the banks on provisional basis etc. However, limit utilized was much lower than the limit sanctioned, hence the differences are not material.

Current Reporting Period

(₹ in Lakh)

Particulars	Period ended	Amount as pre Financials	Amount as pre statement filed with Bankers	Differences	DP Utilized
Eligible Trade Receivables/Inventory Other Assets net of trade Payables	30.06.2022	71,935	66,694	5,241	9,763
	30.09.2022	82,086	73,826	8,260	13,042
	31.12.2022	63,669	65,722	(2,053)	0#
	31.03.2023	74,636	72,775	1,861	1,954

Debit balance with the banks. Please refer to note (iv) above.

Pervious Reporting Period

(₹ in Lakh)

Particulars	Period ended	Amount as pre Financials	Amount as pre statement filed with Bankers	Differences	DP Utilized
Eligible Trade Receivables/Inventory Other Assets net of trade Payables	30.06.2021	74,822	76,365	(1,543)	12,224
	30.09.2021	73,991	69,424	4,567	21,740
	31.12.2021	80,930	75,109	5,821	13,998
	31.03.2022	84,611	84,432	179	20,057

Please refer to note (iv) above.

- v. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
20b) Lease Liability - Current Maturity		
Lease Liability - Current Maturity	319	293
	<u>319</u>	<u>293</u>
21. Current financial liabilities - Trade payables		
a) Total outstanding dues of Micro Enterprises and Small Enterprises	532	1,059
b) Others		
i) Acceptances	28,012	12,943
ii) Other than acceptances	27,834	31,717
	<u>55,846</u>	<u>44,660</u>
Total (a+b)	<u>56,378</u>	<u>45,719</u>

Trade Payables ageing schedule**As on 31-03-2023****(₹ 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	-	144	36	4	35	219
(ii) Others	36,074	16,654	18	13	831	53,590
(iii) Disputed dues - MSME	-	-	-	-	313	313
(iv) Disputed dues - Others	-	-	-	-	2,256	2,256
Total	36,074	16,798	54	17	3,435	56,378

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 31-03-2022****(₹ 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	38,553	2,056	218	385	848	42,060
(iii) Disputed dues - MSME	-	-	-	313	-	313
(iv) Disputed dues - Others	-	-	-	-	2,600	2,600
Total	39,081	2,228	225	705	3,480	45,719

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 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 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
i. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	532	1,059
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>532</u>	<u>1,059</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	378	86
Unclaimed dividends #	33	33
Discounts	2,234	636
Managerial commission	710	684
Salary & Reimbursements	620	349
Capital Creditors	1,760	1,494
Others	3,184	2,318
Total	<u>8,919</u>	<u>5,600</u>

There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

23. Other Current Liabilities

Advances received from customers	3,039	2,395
Government grant	12	48
Statutory dues payable	1,426	632
Others	14	15
	<u>4,491</u>	<u>3,090</u>

24. Current Tax Liabilities (net)

Income tax liabilities (net)	1,889	-
	<u>1,889</u>	<u>-</u>

	For the Year ended 31.03.2023 (₹ in Lakh)	31.03.2022 (₹ in Lakh)
25 a) Revenue From Operations		
Sale of manufactured goods	3,55,860	2,71,223
Less : Discounts	(7,119)	(1,965)
Total (a)	<u>3,48,741</u>	<u>2,69,258</u>
Other operating income		
Conversion charges received	-	4
Duty drawback & export incentives	101	63
Expenses Written Back	-	501
Total (b)	<u>101</u>	<u>568</u>
Total (a+b)	<u>3,48,842</u>	<u>2,69,826</u>

	For the year ended 31.03.2023	For the year ended 31.03.2022
25. b) Other Income		
Interest Income	439	307
Insurance claims	181	4
Amortization of Government grant	48	113
Income from Mutual Fund	5	-
Others income	29	27
Total Other Income	702	451
26. a) Cost of raw material & components consumed		
Inventory at the beginning of the year	32,361	30,267
Add: Purchases during the year	2,25,244	1,93,446
Less: Inventory at the end of the Year	(32,250)	(32,361)
Total raw material & components consumption	2,25,355	1,91,352
Details of raw material & components consumed		
Iron ore & iron ore fines	37,392	40,469
Coal & coal fines #	2,892	5,844
Coking coal	47,499	33,973
Coke	54,148	29,931
Scrap & HBI	3,490	6,992
Ferro alloys	37,579	34,322
Super alloy Raw Material	403	-
Fluxes, minerals & additives	10,268	12,814
Electrodes	4,057	2,587
Others	27,627	24,420
Total	2,25,355	1,91,352
# Net of Consumption of Coal from Captive Mines		
26. b) Other Manufacturing Expenses		
Consumption of fuel	10,719	7,672
Consumption of power(Net of captive consumption)	21,932	16,692
Coal mine FPO, Royalty, Coal Raising, freight and other expenses	8,792	7,096
Contract expenses	13,163	11,423
Total Other Manufacturing Expenses (b)	54,606	42,883
Total Expenses (a+b)	2,79,961	2,34,235
Details of Inventory Raw Material & Components		
Iron Ore & Iron Ore Fines	5,473	1,761
Coal & Coal Fines	1,082	5,791
Cokeing Coal	6,077	8,442
Coke	1,845	3,301
Scrap & HBI	271	793
Ferro Alloys	5,381	3,732
Super alloy Raw Material	140	-
Fluxes, Minerals & Additives	1,057	1,099
Electrodes	1,047	1,933
Goods in Transit	1,103	-
Others	8,774	5,509
Total	32,250	32,361
27. Changes in inventories of finished goods and work-in-progress		
<u>Inventories at the end of the year</u>		
Finished goods	25,286	31,005
Work-in-progress	29,020	20,326
Total (a)	54,306	51,331
<u>Inventories at the beginning of the year</u>		
Finished goods	31,005	11,781
Work-in-progress	20,326	12,332
Total (b)	51,331	24,113
Net (increase) / decrease	Total (b-a) (2,975)	(27,218)

		For the year ended 31.03.2023	For the year ended 31.03.2022
28. Employee Benefit Expenses			
Salaries, Wages and Bonus		9,284	8,424
Contribution to provident and other funds		762	938
Staff welfare expenses		663	513
Remeasurements of the defined benefit plans (Gratuity)		73	(89)
Total		10,782	9,786
29. Finance Cost			
Interest on term loans		2,994	1,703
Interest Capitalised		(689)	(1,075)
Interest on term loans net		2,305	628
Interest on working capital loans		2,516	1,932
Interest on bills discounted		435	128
Other borrowing costs		2,225	870
Unwinding of Interest		4	13
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		33	61
Interest on lease liability (IND AS 116) {Refer note No.36}		592	593
Total		8,110	4,225
30. Depreciation and amortization expense			
Depreciation and amortization of property plant & equipment		7,582	7,169
Amortization of right of use assets #		483	462
# (Refer note No. 36)	Total	8,065	7,631
31.			
31.1 Other Expenses			
Freight & forwarding (net of recoveries)		10,356	9,093
Travelling expenses		440	216
Insurance charges		557	430
Rent, rates and taxes		343	227
Repairs & maintainance		146	168
Printing & stationary		37	22
Directors' sitting fee		8	9
Postage & telephones		76	74
Corporate social responsibility (Refer note No.44)		365	293
Admin Expenses		886	682
Legal & professional expenses (Refer note No.31.2 below)		1,412	983
Exchange fluctuation Loss (net)		985	577
Commission		328	177
Bad Debts written-off		62	-
Provision for doubtful debts		145	(152)
Others		345	390
Total		16,491	13,189
31.2 Payments to Auditors			
Statutory Audit fees		18	17
Limited Review fees		5	5
Total		23	22
32. Earnings Per Share			
Basic Earnings per Share			
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakhs	1,11,432	21,640
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	61.83	12.01

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 31.03.2023	As at 31.03.2022
i. Contingent liabilities		
(a) Unexpired letter of credit	15,078	19,947
(b) Guarantees issued by Company's bankers on behalf of the Company	9,683	5,810
(c) Excise duty & custom duty against which company has preferred an appeal	1,111	1,030
(d) Income Tax Liability	-	132
(e) Other Legal cases filed against the company	21	32
ii. Commitments.		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	9,948	26,138

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	
		31.03.2023	31.03.2022	31.03.2023	31.03.2022
Khappa Coal Company Private Limited	Subsidiary	737	737	737	737
Sunflag Power Limited	Subsidiary	1,030	1,030	1,030	1,030

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 wise disclosure required by INDAS-108 are made as follows:

	Year ended 31 st March 2023		Year ended 31 st March 2022	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers #	3,42,074	6,768	2,65,281	4,545
Non - Current Assets :				
Property, Plant and Equipment	1,53,654	-	1,19,700	-
Right of Use Assets	5,305	-	5,304	-
Capital work in progress	17,004	-	35,027	-
Other non current assets	1,77,711	-	12,433	-

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, 2023 and 31st March, 2022.

36. Leases (Ind AS 116 Disclosure)

Set out below are the carrying amounts of lease liabilities and the movements during the year :

	As at 31.03.2023	As at 31.03.2022
Opening Balance	5,874	5,975
Acquisition	484	165
Deletions	-	-
Accretion of interest	592	593
Payments	892	859
Closing balance	6,058	5,874
Non-current	5,739	5,581
Current	319	293

The effective interest rate of lease liabilities is 9.85%, with maturity between 2021-2083

For the year ended 31.03.2023 (₹ in Lakh)	For the year ended 31.03.2022 (₹ in Lakh)
---	---

The following are the amounts recognised in statement of profit & loss :

Amortisation expense of right of use assets	482	462
Interest expense on lease liabilities	592	593
Expense relating to leases of short-term / low value assets (included in other expenses)	-	-
Total amount recognised in statement of profit & loss	1,074	1,055

Amounts recognised in statement of cash flows :**Financing activities :**

Repayment of principal	300	266
Repayment of interest	592	593

Operating activities :

Short term / low value assets lease payment	-	-
Total cash outflow for leases	892	859

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 31.03.2023	As at 31.03.2022
Long term borrowing	37,733	18,893
Short term borrowing	3,912	27,354
Current maturities of long-term debt	12,811	6,127
Less : Cash and bank balance	(11,702)	(6,637)
Net debt	42,754	45,737
Equity	3,32,851	1,73,624
Capital and net debt	3,75,605	2,19,361
Gearing ratio	11.38%	20.85%

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, 2023 and 31st March, 2022.

38. The Company has received an Arbitration award vide order dated 22nd April, 2022 read with additional / supplementary award dated 28th April, 2022 pertaining to Company's past period claims on Lloyds Metal & Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22nd April, 2022 read with additional / supplementary award dated 28nd April, 2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares. (refer note No.4).

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ Nil. (Previous Year Deficit ₹ 109 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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,412	2,608	8,342	8,134	2,367	2,400
Interest cost	270	171	683	661	166	166
Current Service Cost	156	153	1,047	992	214	207
Benefits Paid	(316)	(431)	(927)	(1,445)	(295)	(406)
Actuarial Gain / (Loss) on obligations	73	(89)	-	-	-	-
Present value of obligations as at the end of the year	2,595	2,412	9,145	8,342	2,452	2,367
Table showing changes in the fair value of Plan Assets :						
Fair value of plan assets at the beginning of year	2,501	2,608	8,342	8,134	2,367	2,400
Expected return on plan assets	181	171	709	552	166	166
Contributions	156	153	1,047	992	214	207
Benefits paid	(316)	(431)	(927)	(1,445)	(295)	(406)
Actuarial Gain / (Loss) on plan assets	-	-	-	-	-	-
Fair value of plan assets at the end of the year	2,522	2,501	9,171	8,233	2,452	2,367
Funded Status	73	(89)	26	(109)	-	-
Excess of Actual over estimated return on plan assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Gain / (Loss) for the year – Obligation	73	(89)	-	-	-	-
Actuarial Gain / (Loss) for the year – plan assets	73	(89)	26	(109)	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) Recognised in the year	73	(89)	26	(109)	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,595	2,412	9,145	8,342	2,452	2,367
Fair value of Plan assets as at the end of the year	2,522	2,501	9,171	8,233	2,452	2,367
Funded Status	73	(89)	26	109	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	73	(89)	26	(109)	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	156	153	-	-	-	-
Interest Cost	-	-	683	661	166	166
Expected return on plan assets	-	-	709	552	166	166
Net Actuarial (Gain)/Loss recognised in the statement of profit & Loss	73	(89)	-	-	-	-
Expenses Recognised in statement of Profit & Loss	156	153	26	(109)	-	-
Actuarial Assumptions :						
Discount rate	7.45%	7.80%	8.15%	8.50%	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	10%	21%	-	-
State Government securities	-	-	40%	38%	-	-
Approved marketable Securities	-	-	0%	0%	-	-
Bonds / debentures etc	-	-	42%	36%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	7%	-	-	-
Liquid fund / Money Market Instrument	-	-	-	6%	-	-
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	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022
Mr Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	145	84	32	37
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	748	558	26	2
Mr Surendra Kumar Gupta	Deputy Managing Director	Remuneration	146	141	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	118	112	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	106	104	-	-
Mr. S Mahadevan	Chief Financial Officer	Remuneration	65	60	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	43	40	-	-
Dr E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4	5	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4	5	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. Anand Kapre	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. M A V Goutham	Non Executive, Independent Director	Sitting Fees	0.45	-	-	-
Mr. Tirthnath Jha	Non Executive, Independent Director	Sitting Fees	0.45	-	-	-

Note :- Directors remuneration includes post employment benefits, PF and other contributions.

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2023	Account	Transactions year ended		Outstanding As at	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022
Sunflag Power Limited	100%	Un-secured Loan	-	-	1,030	1,030
Sunflag Power Limited			-	-	5	5
Khappa Coal Company Private Limited	63.27%	Advance Paid	-	-	737	737
Khappa Coal Company Private Limited			-	-	316	316
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	365	293	-	-

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 are remote.

iii) Joint Ventures

Daido DMS India Private Limited	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	-	980	980
Ramesh Sunwire Private Limited		Sale of Goods	3,505	2,530	581	326
Ramesh Sunwire Private Limited		Purchase of goods	(20)	(24)	-	-
Ramesh Sunwire Private Limited		Others	(5)	-	-	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Block 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	57	66	-	-
Haryana Televisions Limited.	Relationship through KMP	Security deposit	-	-	28	28
Shrihari Coal & Power Pvt. Ltd.	Relationship through KMP	Service	4,521	-	-	-

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	Provided	Purpose
1. Sunflag Power Limited	1,030	-	-	1,030	-	Operational
2. Khappa Coal Company Private Limited	737	-	-	737	737	Operational

Note :- All above transactions with the related parties are at arm length price.

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 Limited	5	-	-	5	-	Long term Inv.
2. Khappa Coal Company Private Limited	316	-	-	316	(316)	Long term Inv.
3. Sunflag Foundation	1	-	-	1	-	CSR
Joint Ventures -						
Madanpur (North) Coal Block 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 31.03.2023					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido DMS India Private Limited / India	17.56 (17.56)	603 (372)	603 (372)	557 (309)	540 (309)	2 -	- -
Madanpur (North) Coal Block 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)	1,735 (1,958)	1,735 (1,958)	1,845 (1,554)	1,773 (1,492)	- -	- -
C T Mining Private Limited / India	31.80 (31.80)	326 (323)	326 (323)	6 (7)	3 (3)	- -	- -

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Block Pvt. 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 31.03.2023		As at 31.03.2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level 1	1,22,610	1,70,820	-	-
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	1,030	1,030
Current financial asset - trade receivables	Level 3	31,527	31,527	27,630	27,630
Current financial asset - Cash and cash equivalents	Level 2	1,018	1,018	1,468	1,468
Financial Asset - Bank balances other than above	Level 2	10,684	10,684	5,169	5,169
Total		45,648	45,648	36,686	36,686

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities : borrowings	Level-2	36,335	36,335	17,305	17,305
Non current financial liabilities : Other	Level-3	1,767	1,767	2,467	2,467
Current financial liabilities - Borrowings	Level-2	16,523	16,523	33,019	33,019
Current financial liabilities - Other	Level-3	9,119	9,119	6,062	6,062

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, 2023 and 31st March, 2022.

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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
0.50%	0.50%	82.62	165.10
- 0.50%	- 0.50%	(82.62)	(165.10)

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 31.03.2023		As at 31.03.2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	1	(1)	1	1
CNY	4	(4)	75	(75)
GBP	-	-	-	-
SEK	-	-	-	-
USD	196	(196)	134	(134)
Foreign currency exposure as at			As at 31.03.2023	As at 31.03.2022
Trade Payable				
- Exposure in Dollars (In INR)			19,638	13,859
- Exposure in Euros (in INR)			101	58
- Exposure in GBP (in INR)			-	14
- Exposure in SEK (in INR)			-	2
- Exposure in CNY (in INR)			563	7,620

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Trade receivables	32,990	28,948	31,527	27,544	1,463	1,404
Less : ECL Provision	(1,463)	(1,318)	-	-	(1,463)	(1,318)

Movement of Expected Credit loss

(₹ in Lakh)

	Opening Balance	Addition	Reversal	Closing Balance
Expected Credit loss - 2023	1318	145	-	1463
2022	1469	-	(151)	1318

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Non current financial liabilities								
i) Borrowings*	50,544	25,020	12,811	6,127	6,041	1,165	31,692	17,728
ii) Others	6,108	6,460	-	-	864	1,216	5,244	5,244
Current financial liabilities								
i) Borrowings*	3,912	27,354	3,912	27,354	-	-	-	-
ii) Trade Payables	56,378	44,660	56,378	44,660	-	-	-	-
ii) Others	8,919	5,600	8,919	5,600	-	-	-	-

*including current maturity of long term debt

44. The Company has spent amount on corporate social responsibility expenses as below:

(₹ in Lakh)

i)	Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
	Gross amount required to be spent during the year	365	293
	Amount spent during the year		
	- Construction / acquisition of any assets	-	-
	- On purpose other than above	365	293

ii) Provision made for Corporate Social Responsibility

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
Opening balance of Provision	-	-
Addition during the Year	365	293
Funds transferred to Sunflag Foundation for CSR activities	365	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 31.3.2023	For the year ended 31.3.2022
a) Expenditure done through Sunflag Foundation			
Rural Development	Clause No. X	9	24
Health Care	Clause No. I	11	137
Education training & skill development	Clause No. I & X	43	8
Environment sustainability & protection of Flora and Fauna	Clause No. IV	57	17
District Sport & cultural activities	Clause No. VII	61	56
Sub Total		181	242
b) Expenditure done directly by the Company			
Rural Development	Clause No. X	-	-
Total Expenditure incurred		181	242

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 accounts.

iv) Corporate Social Responsibility (CSR)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
i) Amount required to be spent by the company during the year a	365	293
ii) Amount of expenditure incurred for the current year b	181	197
iii) Projected spent of earlier years, spent during the year	504	45
iv) Shortfall for the current year (a-b)	184	96
v) Funds Kept in Special Allocated Bank Accounts	209	504
vi) Total of previous years shortfall	Nil	Nil
vii) Reason for shortfall	Nil	Nil
viii) Nature of CSR activities	Refer to iii above	Refer to iii above
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.	365	293
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
For the Year ended 31st March, 2023
(₹ in Lakh)

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 spent during the year	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	-	-	-	-	-
2021-22	96	96	-	-	-
2022-23	184	184	504	209	-
Total	661	661	504	209	-

*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 31.03.2023	As at 31.03.2022
Brought forward from last year	35,027	15,026
Expenditure incurred during the year :		
Building and civil constructions	1,132	1,343
Machinery and equipments	13,985	22,983
Interest and financial charges	689	1,075
Miscellaneous expenses	-	5
Total expenditure during the year	15,806	25,406
Less : Miscellaneous Income	-	-
Less : Capitalised during the year	33,829	5,405
Carried forward as part of Capital work-in-progress	17,004	35,027

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. Ratio Analysis

Sr. No	Ratio	UOM	Numerator	Denominator	Numerator	Denominator	2023	Numerator	Denominator	2022	Change%	Change in ratio in excess of 25% compared to preceding year
1	Net Profit Margin	Percentage	Net Profit after Tax	Revenue from Operation	21,641	3,48,842	6.20%	21,640	2,69,826	8.02%	-22.69%	NA
2	Debt Service Coverage Ratio	Times	Net profit before tax+depreciation +Finance Cost	Finance costs + scheduled principal repayments (excluding prepayments) during the period for long term debts	45,285	15,313	2.96	40,285	14,412	2.80	5.71%	NA
3	Trade Receivable Turnover Ratio	Times	Revenue from Operation	Average Accounts Receivable	3,48,842	30,969	11.26	2,69,826	26,086	10.34	8.90%	NA
4	Inventory Turnover Ratio	Times	Cost of goods sold	Average Inventories	2,22,380	85,126	2.61	1,64,134	69,986	2.35	11.06%	NA
5	Trade payable Turnover Ratio	Times	Purchases	Average Trade payable	2,25,244	51,049	4.41	1,93,446	38,594	5.01	-11.98%	NA
6	Debt- Equity Ratio	Times	Total Borrowings	Total Equity (equity share capital+other equity)	54,456	3,32,851	0.16	52,374	1,73,624	0.30	-46.67%	Reduction in debt equity ratio is due to increase in other equity
7	Current Ratio	Times	Current Assets	Current Liabilities	1,38,604	88,719	1.56	1,34,759	88,183	1.53	1.96%	NA
8	Return on Equity Ratio	Percentage	Net profit after tax	Paid up capital + Free reserves	21,641	1,62,927	13%	21,640	1,73,624	12%	8.33%	NA
9	Return on Capital Employed	Percentage	EBIT	Paid up capital +Long term debts+ Free reserves + Current maturity of long term debt	37,220	2,15,429	17%	32,654	1,71,716	19%	-10.53%	NA
10	Return on Investment	Percentage	Net Profit after Tax	Total Assets	21,641	3,72,992	6%	21,640	3,07,223	7%	-14.29%	NA
11	Net Capital Turnover Ratio	Times	Revenue from Operation	Average Equity	3,48,842	2,53,238	1.38	2,69,826	1,56,141	1.73	-20.23%	NA

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.

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

SUBODH KUMAR MODI
Partner
M. No. 093684

New Delhi
29th May, 2023

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

PRANAV BHARDWAJ
MANAGING DIRECTOR

CA R. MURALIDHAR
DIRECTOR (FINANCE)

Nagpur
29th May, 2023

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

ASHUTOSH MISHRA
COMPANY SECRETARY

CA VINITA BAHRI
DIRECTOR

CA M. A. V. GOUTHAM
DIRECTOR

TIRTHNATH JHA
DIRECTOR

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	31.03.2023	31.03.2023	31.03.2023
% 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	-	(73.86)	-
Other Liabilities	-	0.24	208.00
Total Assets	1,035.00	1,591.00	209.00
Total Liabilities	1,035.00	1,591.00	209.00
Investments	-	-	-
Turnover	-	-	-
Profit/(Loss) before Taxation	-	4.22	-
Provision for Taxation	-	-	-
Profit/(Loss) after Taxation	-	4.22	-
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 Block Private Limited	CT Mining Private Limited	Daido DMS India Private Limited	Ramesh Sunwire Private Limited
1	Latest audited Balance Sheet date	# 31.03.2019	31.03.2023	31.03.2023	31.03.2023
2	Shares of Associate / Joint Ventures held by the Company on the year end				
	No. of Shares	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	319.72	187.53	1088.75
6	Profit / (Loss) for the year	(11.40)	5.31	17.20	69.21
	Considered in consolidation	No	Yes	Yes	Yes
	Not Considered in consolidation	Yes	-	-	-

*# Financials of Madanpur (North) Coal Block 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

SUBODH KUMAR MODI
Partner
M. No. 093684

New Delhi
29th May, 2023

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

PRANAV BHARDWAJ
MANAGING DIRECTOR

CA R. MURALIDHAR
DIRECTOR (FINANCE)

Nagpur
29th May, 2023

RAMCHANDRA DALVI
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CHIEF FINANCIAL OFFICER

ASHUTOSH MISHRA
COMPANY SECRETARY

CA VINITA BAHRI
DIRECTOR

CA M. A. V. GOUTHAM
DIRECTOR

TIRTHNATH JHA
DIRECTOR

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 (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, 2023, 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 ended on that date, and notes to the consolidated financial statements including a summary of 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 provided to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act"), as amended in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31st March, 2023, its consolidated profit including other comprehensive income, consolidated changes in equity and consolidated cash flows 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 ("SAs") as specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 ventures 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the consolidated 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 consolidated financial statements of the current period. 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.

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	<p>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).</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 consolidated financial statements.</p>	<p>Our procedures included the following:</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>Litigations Matters & Contingent Liabilities (Refer note 34 of the consolidated financial statements)</p> <p>The Holding Company is subject to claims and litigations. Major risks identified by the Holding Company in that area relate to claims against the Holding 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>	<p>Our procedures included the following:</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 these litigations during the year ended 31st March, 2023. • 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 consolidated 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.

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
3.	<p>Arbitration award of Rs.1,22,610 Lakhs towards claim filed against Lloyds Metals and Energy Limited (Refer note 4 & 38 of the consolidated financial statements)</p> <p>The Holding Company received an enforceable arbitral award dated 22nd April, 2022 towards settlement of its claim of Rs.1,22,610 Lakhs against Lloyds Metals and Energy Limited. The Company's investment portfolio represents a significant portion of the Holding Company's total assets Rs.1,72,209 Lakhs. The forementioned instruments are valued at fair value through other comprehensive income (FVOCI).</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the relevant accounting policies of the Holding Company, including those relating to recognition and measurement of financial instrument by comparing with the applicable accounting standards; For instrument valued at fair value: i. Assessed the availability of quoted prices in liquid markets; ii. Assessed whether the valuation process is appropriately designed and captures relevant valuation inputs; iii. Performed testing of the inputs/assumptions used in the valuation; and iv. Assessed pricing model methodologies and assumptions against industry practice and valuation guidelines; Assessed the appropriateness of the Holding Company's description of the accounting policy and disclosures related to investments and whether these are adequately presented in the consolidated financial statements.
4.	<p>Capitalization of Blooming Mill of Rs.33,500 lakhs at Bhandara plant (Refer note 3 of the consolidated financial statements)</p> <p>We have identified the capitalization of costs into Capital in progress, particularly those pertaining to Plant and Machinery as the amounts are substantial, as a key audit matter.</p> <p>As disclosed in note 3 to the consolidated financial statements, the Holding Company has capitalized costs to construction in progress of Rs.33,500 lakhs, including capitalized borrowing costs, during the year.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process and testing the internal controls over the recognition of, and accrual for, costs incurred. Assessing compliance with the requirements of International Accounting Standard ("IAS") 16 Property, Plant and Equipment and IAS 23 Borrowing Costs; Reperforming the underlying calculations used in the Holding Company's computation of borrowing costs to be capitalized and testing of the inputs used; Assessing the nature and amount of the costs incurred on the Finishing blooming Mill (Plant and Machinery) with the assistance of specialist; Agreeing costs capitalized to supporting documentation; Comparing the budget and expected cost to complete as at the end of the reporting period; and Examining, on a sample basis, payment applications issued by Company to the Holding Company and, comparing to costs incurred included in capitalisation in progress.

Other Information

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon. 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 the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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 the Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures 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 Management and 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 each Company 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and its joint ventures is also responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities 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 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 internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements 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 Group and its joint ventures 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 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 information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 auditors' 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.

Other Matters

a) We did not audit the Statement include the audited financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 2,627 lakhs, total revenue of Rs.5 lakhs, total net profit after tax of Rs.4 lakhs, total comprehensive income of Rs. 4 lakhs for the year ended 31st March, 2023 and net cash inflow of Rs.5 lakhs for the year ended on 31st March, 2023. The Financial Statements of these subsidiaries have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, insofar as it relates to the amount and disclosures included in respect of these subsidiaries, is based solely on the report of such other auditors and the procedures performed by us as stated in the paragraph above. The above figures are before the consolidation adjustments.

b) We did not audit the Statement include the audited financial statements of two joint ventures whose financial statement reflect Group's share of net profit/ (loss) after tax of Rs.75 lakhs and total comprehensive income of Rs.74 lakhs for the year ended 31st March, 2023. The Financial Statements of two joint ventures have been audited by the other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, insofar as it relates to the amount and disclosures included in respect of two joint ventures, is based solely on the report of such other auditors and the procedures performed by us as stated in the paragraph above. The above figures are before the consolidation adjustments.

The accompanying Statement also includes Group's share of net profit/ (loss) after tax of Rs.17 lakhs and total comprehensive income of Rs.17 lakhs for the year ended 31st March, 2023, in respect of a joint venture namely Daido D.M.S India Private Limited, whose financial statements have been considered on the basis of the management certified financial statements and our report, insofar as it relates to the aforesaid joint venture, is based solely on the basis of management certified financial statements. The above figures are before the consolidation adjustments.

The financial statements of a joint venture namely Madanpur (North) Coal Block Private Limited was not available thus, the same has not been considered for consolidation purpose. The investment made in above joint venture is fully impaired in the consolidated financial statements. These joint ventures are not considered material to the Group.

Our report is not modified in respect of the above matters.

Report on other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these consolidated financial statements. Further, the following are the joint venture companies, included in the consolidated financial statements for the year ended 31st March, 2023, have not been audited and the respective reports under Section 143(11) of the Act of such joint venture companies have not been 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 DMS India Private Limited	U28113HR2015FTC054839	Joint Venture
2	Madanpur (North) Coal Block Private Limited	U10101CT2007PTC020161	Joint Venture

2. As required by Section 143(3) of the Act, we report that:

- 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.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- The consolidated balance sheet, 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 dealt with by this Report are in agreement with the books of account and records maintained by the Holding Company for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of the subsidiary companies and joint ventures incorporated in India, none of the directors of the Group and its joint ventures companies incorporated in India is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- 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, the managerial remuneration for the year ended 31st March, 2023 has been paid / payable by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
- 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:
 - The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures, in its consolidated financial statements - Refer note 34 to the consolidated financial statements.
 - Provision has been made 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.
 - 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, which are companies incorporated in India during the year ended 31st March, 2023.
 - The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, 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 Holding Company or any of such subsidiaries 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 Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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.
 - Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above, contain any material misstatement.

- v) 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

Subodh Kumar Modi
Partner
Membership No: 093684
UDIN: - 23093684BGXGTE1298

New Delhi
29th May, 2023

Annexure I

List of entities included in the Statement:

- i. Subsidiaries :** 1. Sunflag Power Limited 2. Khappa Coal Company Private Limited
ii. Joint Ventures : 1. CT Mining Private Limited 2. Daido DMS India Private Limited 3. Ramesh Sunwire Private Limited
4. Madanpur (North) Coal Block Private Limited

Annexure A to the Independent Auditor's Report to the members of Sunflag Iron and Steel Company Limited ('the Company')

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') and referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' of our report of even date

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Sunflag Iron and Steel Company Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries which are companies incorporated in India (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures which are the companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group and its joint ventures which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group and its joint ventures which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to the consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to the consolidated financial statements, 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 with reference to the consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to the consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31st March, 2023, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies which are companies 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 ICAI.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to, two subsidiaries and two joint venture companies which are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal controls with reference to consolidated financial statements insofar as it relates to one joint venture company which is incorporated in India namely Daido D.M.S India Private Limited, as the financial statements of this joint venture is based solely on the basis of management certified financial statements. 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 with reference to consolidated financial statements does not cover insofar as it relates to one joint venture company which is incorporated in India namely Madanpur (North) Coal Block Private Limited, as the financial statements of the joint venture is not available and therefore the same has not been considered for consolidation purpose. This investment is fully impaired in the financial statements. This joint venture is not material to the Group.

Our audit report is not modified in respect of above matters.

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

**New Delhi
29th May, 2023**

**Subodh Kumar Modi
Partner
Membership No: 093684
UDIN: - 23093684BGXGTE1298**

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2023**

Particulars	Note No.	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
A. ASSETS			
1. Non-current Assets			
a) Property, plant and equipment	3	1,53,839	1,19,879
b) Right of Use Assets	3	5,305	5,304
c) Capital work - in - progress	3	19,290	37,313
d) Financial assets			
i. Investments	4	1,72,568	1,659
ii. Non- Current Loans		-	-
iii. Other Financial Assets	5	1,960	7,666
e) Other non current asset	6	2,537	2,372
Total non-current assets		3,55,499	1,74,193
2. Current assets			
a) Inventories	7	86,557	83,694
b) Financial assets			
i. Trade receivables	8	31,527	27,630
ii. Cash and cash equivalents	9(a)	1,149	1,594
iii. Bank balances other than above	9(b)	10,684	5,169
iv. Others	10	140	115
c) Income tax assets (net)	11	-	754
d) Other current assets	12	8,678	15,927
Total current assets		1,38,735	1,34,883
TOTAL ASSETS		4,94,234	3,09,076
B. EQUITY AND LIABILITIES			
1. Shareholders' funds			
a) Share capital	13	18,022	18,022
b) Other equity	14	3,16,199	1,56,873
c) Non Controlling Interest		156	154
Total shareholders' funds		3,34,377	1,75,049
2. Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	15	38,162	19,321
ii. Lease liabilities	16(a)	5,739	5,581
iii. Other financial liabilities	16(b)	369	879
b) Provisions	17	3,468	3,404
c) Deferred tax liabilities (Net)	18	23,399	16,647
d) Other non-current liabilities	19	-	12
Total non-current liabilities		71,137	45,844
3. Current Liabilities			
a) Financial liabilities			
i. Borrowings	20(a)	16,724	33,481
ii. Lease liabilities	20(b)	319	293
iii. Trade Payables	21		
- Total outstanding dues of Micro Enterprises and Small Enterprises		532	1,059
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		55,846	44,660
iv. Other financial liabilities	22	8,919	5,600
b) Other current liabilities	23	4,491	3,090
c) Current tax liabilities (net)	24	1,889	-
Total current liabilities		88,720	88,183
TOTAL EQUITY AND LIABILITIES		4,94,234	3,09,076

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
RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)
CA VINITA BAHRI
DIRECTOR
SUBODH KUMAR MODI
Partner
M. No. 093684
CA R. MURALIDHAR
DIRECTOR (FINANCE)
S. MAHADEVAN
CHIEF FINANCIAL OFFICER
CA M. A. V. GOUTHAM
DIRECTOR
New Delhi
29th May, 2023
Nagpur
29th May, 2023
ASHUTOSH MISHRA
COMPANY SECRETARY
TIRTHNATH JHA
DIRECTOR

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023**

Particulars	Note No.	Year Ended 31.03.2023 (₹ in Lakh)	Year Ended 31.03.2022 (₹ in Lakh)
Income			
1. Revenue from operations	25	3,48,842	2,69,826
2. Other income	26	707	456
Total Income		3,49,549	2,70,282
3. Expenses			
Cost of raw materials & components consumed	27(a)	2,25,355	1,91,352
Other manufacturing expenses	27(b)	54,606	42,883
Changes in inventories of finished goods and work-in-progress	28	(2,975)	(27,218)
Employee benefits expense	29	10,782	9,786
Finance costs	30	8,110	4,225
Depreciation and amortization expenses	31	8,064	7,631
Other expenses	32	16,492	13,189
Total expenses		3,20,434	2,41,848
4. Profit / (loss) before exceptional items and tax		29,115	28,434
Less : Exceptional items (Refer Note No.38)		1,19,286	-
Profit before tax		1,48,401	28,434
5. Share of Profit / (Loss) in Joint Ventures & Associates		92	58
6. Tax Expense :			
(a) Current tax	18	(37,491)	(7,395)
(b) Deferred tax	18	545	605
(c) Income tax pertaining to earlier years		(16)	-
7. Net Profit after tax		1,11,531	21,702
Owners Equity		1,11,529	21,700
Non-Controlling Interest		2	2
8. Other comprehensive income			
Items that will not be reclassified to profit or loss			
- MTM gain on equity investments		48,210	-
- Revaluation gain on fixed assets		6,681	-
- Actuarial Gain on re-measurements of the defined benefit plans		73	(89)
- Gain/(Loss) on Foreign Currency hedging		128	(5)
Income tax relating to items that will not be reclassified to profit or loss			
- MTM gain on equity instruments		(5,616)	-
- Revaluation gain on fixed assets		(1,681)	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Total comprehensive income for the year (Net of Tax)		1,59,326	21,608
9. Earnings per equity share (Amount in ₹)			
Basic	33	61.89	12.04
Diluted		61.89	12.04

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 : 001075NSUBODH KUMAR MODI
Partner
M. No. 093684New Delhi
29th May, 2023

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

PRANAV BHARDWAJ
MANAGING DIRECTORRAMCHANDRA DALVI
DIRECTOR (TECHNICAL)CA VINITA BAHRI
DIRECTORCA R. MURALIDHAR
DIRECTOR (FINANCE)S. MAHADEVAN
CHIEF FINANCIAL OFFICERCA M. A. V. GOUTHAM
DIRECTORNagpur
29th May, 2023ASHUTOSH MISHRA
COMPANY SECRETARYTIRTHNATH JHA
DIRECTOR

**SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023**

Particulars	For the year ended 31.03.2023 (₹ in Lakh)	For the year ended 31.03.2022 (₹ in Lakh)
A. Cash flow from operating activities		
Net Profit / (Loss) before extraordinary items and tax	1,48,401	28,434
Items that will not be reclassified to profit or loss	-	-
Adjustments for :		
Depreciation and amortisation	8,064	7,631
Exceptional Items	(1,19,286)	-
Finance costs	8,110	4,225
Interest income	(444)	(311)
Income from Mutual Fund	(5)	-
Actuarial Gain / (Loss)	73	(89)
Provision for reversal of foreign currency hedging	-	(5)
Provision for earlier years no longer required	-	758
Provision for doubtful trade and other receivables, loans and advances	145	(152)
Operating profit / (loss) before working capital changes	45,058	40,491
Changes in working capital :		
Adjustments for (increase) / decrease in operating assets :		
Inventories	(2,864)	(29,313)
Trade receivables	(4,042)	(6,457)
Short-term loans and advances	728	(742)
Long-term loans and advances	2,383	(5,996)
Other current assets	7,248	(7,544)
Other non-current assets	(165)	6,462
Adjustments for increase / (decrease) in operating liabilities :		
Trade payables	10,789	18,753
Other current liabilities	3,971	(2,351)
Short-term provisions	-	-
Other long-term liabilities	(522)	(583)
Long-term provisions	63	(1,006)
Cash generated from operations	62,647	14,813
Income tax (paid)/refund net	(34,867)	11,714
Net cash flow from / (used in) operating activities (A)	27,780	4,319
B. Cash flow from investing activities		
Capital expenditure on Property Plant & Equipment	(16,833)	(33,869)
Proceeds from sale of Property Plant & Equipment	-	-
Other Bank deposits not considered in Cash & Cash equivalent (NET)	(5,515)	25
Interest income	444	311
Income from Mutual Fund	5	-
Long-term investments in; - Joint ventures	-	-
Net cash flow from / (used in) investing activities (B)	(21,899)	(33,533)
C. Cash flow from financing activities		
Proceeds from long-term borrowings	32,500	17,500
Repayment of long-term borrowings	(6,513)	(9,112)
Net (decrease)/ increase in working capital borrowings	23,441	26,000
Proceeds from other short term borrowings	-	-
Repayment of unsecured Deferred Sales Tax Loan	(462)	(648)
Finance cost	(7,518)	(3,632)
Dividends paid	-	-
Lease Repayment	(892)	(1,163)
Net cash flow (used in)/ from financing activities (C)	(6,326)	28,945
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(445)	(269)
Cash and cash equivalents at the beginning of the year	1,594	1,863
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	-	-
Cash and cash equivalents at the end of the year	1,149	1,594
Component of cash and cash equivalents	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
Cash and Cash Equivalents		
- Cash on hand	26	21
- Balances in current accounts	1,123	1,573
- Debit balance in Cash Credit Account	-	-
	1,149	1,594

SUNFLAG IRON AND STEEL COMPANY LIMITED, ITS SUBSIDIARIES AND JOINT VENTURES CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

Cash Flow Continued....

Changes in liabilities arising from financing activities

Particulars	As at the end 31.03.2022	Cashflows	Fair value changes	Foreign exchange movement	As at the end 31.03.2023
Non-Current Borrowings-Term Loan	19,321	18,841	-	-	38,162
Current Borrowings-Term Loan	6,127	6,684	-	-	12,811
Current Borrowings-Working Capital	27,354	(23,441)	-	-	3,913

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 conform 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

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

CA VINITA BAHRI
DIRECTOR

SUBODH KUMAR MODI
Partner
M. No. 093684

CA R. MURALIDHAR
DIRECTOR (FINANCE)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

CA M. A. V. GOUTHAM
DIRECTOR

New Delhi
29th May, 2023

Nagpur
29th May, 2023

ASHUTOSH MISHRA
COMPANY SECRETARY

TIRTHNATH JHA
DIRECTOR

Consolidated Statement of changes in equity for the year ended 31st March, 2023**a) Equity share Capital**

Particulars	No. of shares	Amount (₹ in Lakh)
As at 1st April, 2021	18,02,19,448	18,022
Changes during the year	-	-
As at 31st March, 2022	18,02,19,448	18,022
Changes during the year	-	-
As at 31st March, 2023	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	Equity instruments through other comprehensive income	MTM gain/(loss) on equity shares	Revaluation Surplus	Effective portion of cash flow Hedges	Remeasurement of the defined benefit plans	
As at April 01, 2021	3,785	256	95,025	553	-	-	35,054	-	590	1,35,263
Net Profit for the year	-	-	21,700	2	-	-	-	-	-	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
As at March 31, 2022	3,785	256	1,18,050	557	-	-	33,729	(5)	501	1,56,873
Net Profit for the year	-	-	22,265	2	89,264	-	-	-	-	1,11,531
Other comprehensive income for the year	-	-	-	-	-	42,594	5,000	128	73	47,795
Additional Depreciation on Revalued assets transferred to retained earnings	-	-	1,360	-	-	-	(1,360)	-	-	-
Additions during the period	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	3,785	256	1,41,675	559	89,264	42,594	37,369	123	574	3,16,199

c) Non Controlling Interest

Particulars	As at 31 st March 2023	As at 31 st March 2022
Opening Balance	154	152
Changes during the year	2	2
Closing Balance	156	154

Nature of reserves

i. Retained earnings represent the undistributed profits of the Company. ii. 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. iii. 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. iv. 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

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New Delhi
29th May, 2023

Nagpur
29th May, 2023

ASHUTOSH MISHRA
COMPANY SECRETARY

TIRTHNATH JHA
DIRECTOR

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2023
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 Block Private Limited

These consolidated financial statements are presented in Indian Rupees (₹) and all values are 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 that 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 if the revision affects 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 financial statements. Actual results could vary from these estimates.

The financial statements for the year ended 31st March, 2023 were authorized and approved for issue by the Board of Directors on 29th May, 2023.

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 an 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 and 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 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

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 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.

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 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.

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 excluding 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 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 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.

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 (FVPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. A financial asset i.e. equity which is not classified as FVOCL, are subsequently fair valued through profit or loss.

d) 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.

e) 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.

f) 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.

g) 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 any 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 :

- a. Lease liabilities should be separately disclosed under the head 'financial liabilities, duly distinguished as current or non-current.
- b. 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.
- c. Specified format for disclosure of shareholding of promoters.
- d. Specified format for ageing schedule of trade receivables, trade payable, capital work-in-progress and intangible asset under development.
- e. 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.
- f. 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.
- g. Material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

- h. Ind AS 1 – Presentation of Financial Statements The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.
- i. Ind AS 12 – Income Taxes The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.
- j. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Statement of profit and loss :

- k. 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, 2023

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 1.4.2021	369	89	375	229	663	412	2,042	2,028	23,867	94,159	92	6,278	6,278	1,30,603	17,310				
Additions	7,882	-	-	-	133	6	-	3	508	5,178	-	165	165	13,875	25,408				
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
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	6,443	1,44,467	37,313				
Additions	-	-	-	68	18	10	161	12	9,625	24,966	-	484	484	35,344	15,702				
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(33,725)				
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	3,734	2,947	-	-	-	6,681	-				
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
As at 31.3.2023	8,251	89	375	297	814	428	2,203	2,043	37,734	1,27,239	92	6,927	6,927	1,86,492	19,290				
Accumulated Depreciation/ Amortisation																			
As at 1.4.2021	-	31	356	216	475	390	1,094	1,923	986	5,413	3	766	766	11,653	-				
Charge for the year	-	1	-	-	67	1	101	3	1,035	5,961	2	460	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	1,226	19,284	-				
Charge for the year	-	1	-	8	78	2	103	5	1,070	6,314	2	481	481	8,064	-				
Adjustment of revaluation Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Depreciation adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
As at 31.3.2023	-	33	356	224	620	393	1,298	1,931	3,091	17,688	7	1,707	1,707	27,348	-				
Net Block As at 31.3.2022	8,251	57	19	13	254	27	847	105	22,354	87,952	87	5,517	5,517	1,25,183	37,313				
Net Block As at 31.3.2023	8,251	56	19	73	194	35	905	112	34,643	1,09,551	85	5,220	5,220	1,59,144	19,290				

Notes :

- Addition to capital work in progress include ₹ 689 Lakh finance cost capitalised during the year. (Previous Year ₹ 1,075 Lakh).
- Cost of Leasehold land is amortised over the period of lease i.e. 95 years.
- The Company had 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, 2023 amounting to ₹ 1,818 Lakh. (Previous Year ₹ 1,770 Lakh).
 - The Company has revalued its plant and machinery and building at the end of the year 31st March, 2023. As a result, the revaluation gain of ₹ 6,681 Lakhs (Plant & Machinery ₹ 2,947 Lakhs and Buildings ₹ 3,734 Lakhs) has been accounted for in the current financial year ended 31st March, 2023 through other comprehensive income. (Previous revaluation was carried out as on 31st March, 2020).

Notes forming part of the Consolidated financial statement for the year ended 31st March, 2023**Additional Information****1. Assets under construction**

Capital work in progress incurred as at 31st March, 2023 amounted ₹ 19,289 Lakh (Previous Year ₹ 37,313 lakh) in view of implementation of new projects.

2. Impairment review

i) 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.

ii) 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 01.04.2021	17,310
Additions	
Expenditure made during the year	25,408
Capitalised during the year	(5,405)
Closing as at 31.03.2022	37,313
Expenditure made during the year	15,702
Capitalised during the year	(33,725)
Closing as at 31.03.2023	19,290

Pre-operative expenditure included in CWIP expenses

	<u>(Rs. In Lakh)</u>
Carried forward as part of CWIP As at 01.04.2021	2,036
Additions	
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
Expenditure made during the year	
i. Interest and other processing fees	689
ii. Capitalised during the year	(3,440)
As at 31.03.2023	-

*Refer note No. 46 for information

CWIP Ageing Schedule - As on 31.03.2023

(₹ in Lakh)

CWIP - Project Name	Amount in CWIP for a Period of 31.03.2023				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Projects in progress	8,715	7,198	241	765	16,919
Projects temporarily suspended	-	-	-	2,371	2,371
Total	8,715	7,198	241	3,136	19,290

- 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 and Navegoan mines developments. Bande Iron Ore, Warpani Manganese and Navegoan mines development is subjudice, due to change in central government ruling Bande iron ore mines, Warpani Mine and Navegoan Mines got cancelled for which the company has filed legal case in the Bombay High Court, Nagpur Bench, Nagpur.

CWIP Project Completion Schedule whose completion is overdue - As on 31.03.2023

(₹ in Lakh)

CWIP - Project Name	CWIP Completion Schedule within (As on 31.03.2023)				
	Less than 1 Year	1 - 2 Years	2- 3 Years	More than 3 Years	Total
Mines under development	-	-	-	86	86
Total	-	-	-	86	86

CWIP Ageing Schedule - As on 31.03.2022

(₹ in Lakh)

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 temporarily suspended are related to Bande Iron Ore, Kodolibad Iron Ore, Warpani Manganese and Navegoan mines developments. Bande Iron Ore, Warpani Manganese and Navegoan mines development is subjudice, due to change in central government ruling Bande iron ore mines, Warpani Mine and Navegoan Mines got cancelled for which the company has filed legal case in the Bombay High Court, Nagpur Bench, Nagpur.

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

4. Non- Current Investments

(₹ in Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Investment in equity shares (at cost, unquoted & fully paid)	1,780	1,780
Investment in equity shares (at fair value, quoted & fully paid)	1,70,820	-
Add : Company's share in the Profit/(Loss) of the Joint Ventures (Equity Method)	118	29
Total	1,72,718	1,809
Aggregate amount of unquoted investments	1,898	1,809
Aggregate amount of quoted investments	1,70,820	-

Details of Non Trade Investments in equity shares:
Investment in equity instruments (at cost, quoted, unquoted & fully paid)

Name of the Body Corporate	No. of Shares / Units		Extent of Holding (%)		Amount (₹ in Lakh)	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Subsidiaries						
Sunflag Foundation	10,000	10,000	100.00	100.00	1	1
Joint Ventures						
Madanpur (North) Coal Block 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
Less :- Provision for diminution in the Value of Joint Ventures Investments					(150)	(150)
Add :- Company's share in the profit/(loss) of the Joint Ventures (Equity Method)					118	29
Others						
India Bulls CSEB Bhaiyathan Power Limited	74	74	-	-	-	-
Equity Shares in Lloyds Metals & Energy Ltd. (Refer Note below)	6,00,00,000	-	11.89	-	1,22,610	-
Add :- MTM Gain on fair value measurement of equity shares	-	-	-	-	48,210	-
Total					1,72,568	1,659
Additional Information :						
Aggregate amount of quoted investments					1,22,610	-
Market value of quoted investments					1,70,820	-
Aggregate amount of unquoted investments					1,780	1,780
Aggregate amount of diminution in value of investments					118	29
Carrying amounts of investments have been adjusted to reflect losses incurred at Joint Ventures and Associates.						

Note :-

The Company has received an Arbitration award vide order dated 22nd April, 2022 read with additional/supplementary award dated 28th April, 2022 pertaining to Company's past period claims on Lloyds Metal & Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22nd April, 2022 read with additional/supplementary award dated 28th April, 2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares.

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
5. Other Financial Assets (unsecured)		
Security deposits	1,063	1,247
Security deposits Related Parties (Refer Note No.41)	28	28
Bank deposits with bank more than 12 months maturity	655	6,225
Interest Accrued on bank deposits	51	27
Earmarked escrow bank deposit for mine restoration obligation	133	108
Earmarked escrow current account for mine restoration obligation	30	31
Total	1,960	7,666
6. Other non-current assets		
Capital advances	2,432	2,372
Non current Trade Advance (Refer Note No.39)	105	-
Total	2,537	2,372
7. Inventories (As taken, valued and certified by the management) (Refer Note below)		
Raw materials and components		
Raw materials on hand	26,489	29,401
Goods-in transit (raw material)	1,103	-
Work-in-progress	29,020	20,326
Finished goods	23,077	29,445
Goods in transit (Finished goods)	2,209	1,560
Consumables, stores and spares #	4,659	2,962
Total	86,557	83,694

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)
- # Consumables, stores and spares are net of provision for obsolete items, amounting to ₹ 351 Lakhs

Notes forming part of the Consolidated financial statement for the year ended 31st March, 2023

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
8. Trade receivables		
(Refer note below)		
Secured, considered good	-	-
Unsecured, considered good	31,527	27,630
Unsecured, credit impaired	1,463	1,318
	<u>32,990</u>	<u>28,948</u>
Less: Provision for expected credit loss	(1,463)	(1,318)
	<u>31,527</u>	<u>27,630</u>

Trade receivables ageing schedule**Balance as at 31.03.2023****(₹ in Lakh)**

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	27,366	4,161	-	-	-	-	31,527
(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	-	-	300	135	52	976	1,463
Total	27,366	4,161	300	135	52	976	32,990

Balance as at 31.03.2022**(₹ in Lakh)**

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

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
9a. Cash and cash equivalents		
Cash on hand	26	21
Balances with banks in current accounts	1,123	1,573
Balance with banks in cash credit accounts	-	-
Total (a)	1,149	1,594
9b. Bank balances other than above		
Margin money deposit against Letter of Credit & Bank Guarantees	10,651	5,136
Earmarked balance for Unclaimed dividend #	33	33
Total (b)	10,684	5,169
Total (a+b)	11,833	6,763
# 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 with Banks	110	75
Loans & advances to employees	2	17
Export incentives receivable	3	23
Claims receivables	25	-
Total	140	115
11. Income tax assets (net)		
Advance Tax (Net of Provision)	-	754
Total	-	754
12. Other current assets		
Advance to vendors	7,799	12,982
Prepaid Expenses	641	595
Balances with Statutory / Govt Authorities #	238	2,350
Total	8,678	15,927

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 31.03.2023		As at 31.03.2022	
	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 31.03.2023	As at 31.03.2022
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 shareholders holding more than 5% shares in the company

Name of shareholder	As at 31.03.2023		As at 31.03.2022	
	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%	1,27,86,431	7.09%

d) Shares held by promoters at the end of the year as on 31.03.2023

Sr. No.	Name of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Limited, 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 31.03.2022

Sr. No.	Name of Promoters	No. of Shares	% of total shares	% Change during the Year
1	Sunflag Limited, 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 preceding the reporting date are "NIL".

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
14. Other equity		
Securities premium	3,785	3,785
General reserve	256	256
Retained earnings	1,41,675	1,18,050
Retained Earnings of Subsidiaries	559	557
Other Comprehensive Income/(Loss)		
Revaluation Surplus	37,369	33,729
Equity instruments through other comprehensive income	89,264	-
Remeasurements of the defined benefit plans	574	501
MTM Gain on fair value measurement of equity shares	42,594	-
Effective portion of cash flow Hedges	123	(5)
Total	3,16,199	1,56,873

15. Non current borrowings

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
i. Secured		
a) Term loans - from banks	29,258	6,389
b) Term loans - from NBFCs	19,688	16,581
Less : Current maturities of long-term debt (refer note 22)		
- Term loans - from banks	(6,018)	(965)
- Term loans - from NBFCs	(6,593)	(4,700)
Total (i)	36,335	17,305
ii. Unsecured		
a) Unsecured loan from promoters (interest free)	1,375	1,375
b) Unsecured loan from others (interest free)	428	428
c) Others - Interest free Sales Tax loan	224	675
Less : Current maturities of long-term debt (refer note 22)	(200)	(462)
Total (ii)	1,827	2,016
Total (i+ii)	38,162	19,321

- 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 ₹ 5,500 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 31.03.2023	Availed / Outstanding 31.03.2022
1	State Bank of India		15,000	2,306	3,036
2	Axis Bank		10,000	1,767	2,167
3	Canara Bank		6,500	1,186	1,186
4	Indian Bank		24,000	24,000	-
5	Axis Finance - NBFC		7,500	4,000	7,250
6	Bajaj Finance - NBFC		7,000	5,030	9,331
7	Bajaj Finance - NBFC		5,500	4,657	
8	Tata Capital - NBFC		6,000	6,000	-
			81,500	48,946	22,970

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 ₹ 223 lakhs (previous year ₹ 675 lakhs). The repayment of the sales tax loan is made as per the schedule and no default has occurred in repayment during the year.

Maturity Profile	0-1 year	1 - 2 year	2 - 3 years	3 - 4 years	Beyond 4 years
Term loan from banks	6,018	6,018	6,314	6,649	4,259
Term loan from NBFCs	6,593	4,809	4,042	3,405	839
Unsecured Interest Free Sales Tax Loan ##	200	24	-	-	-

Figures given are including unwinding of interest as per Ind AS.

16. Other non - current financial liabilities

	As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
a) Lease Liability		
Lease Liability Ind AS 116	6,058	5,874
Less : Lease Liability - Current Maturity	(319)	(293)
Total (a)	5,739	5,581
b) Other financial liabilities		
Payables for capital goods / Retention Payables	-	644
Security Deposits	369	235
Total (b)	369	879
Total (a+b)	6,108	6,460

17. Non - current provisions

Provision for employee benefits	749	700
Provision for contingencies (refer details below)	2,719	2,704
	3,468	3,404

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	
	2022-2023	2021-2022	2022-2023	2021-2022	2022-2023	2021-2022
Opening	682	682	2,022	2,509	2,704	3,191
Provision/(Reversal) during the year	-	-	-	(501)	-	(501)
Remeasurement losses accounted in OCI	-	-	-	-	-	-
Payment during the year	-	-	-	-	-	-
Interest Charge for the year	-	-	15	14	15	14
Closing	682	682	2,037	2,022	2,719	2,704

18. Deferred tax liabilities

Particulars	As at 31.03.2023	Charge/Credit during the year	As at 31.03.2022	Charge/Credit during the previous year	As at 31.03.2021
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	6,276	59	6,217	(325)	6,542
Revaluation Gain	12,568	1,223	11,345	(446)	11,791
Fair value measurement of equity shares	5,616	5,616	-	-	-
	<u>24,460</u>	<u>6,898</u>	<u>17,562</u>	<u>(771)</u>	<u>18,133</u>
Deferred Tax Asset on					
Lease asset	(1,604)	1	(1,605)	(75)	(1,530)
Lease liability	1,585	46	1,539	35	1,504
Expenses Disallowed	1,080	99	981	(126)	1,107
	<u>1,061</u>	<u>146</u>	<u>915</u>	<u>(166)</u>	<u>1,081</u>
Net Deferred Tax Liability (Current Year)	23,399	6,752	16,647	(605)	17,252

Year ended 31.03.2023
(₹ in Lakh)

Year ended 31.03.2022
(₹ in Lakh)

Tax Expenses :

- a) Current Tax expenses for the year
b) Deferred Tax

Total

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2023 and 31st March, 2022.

Accounting profit before tax	1,48,401	28,436
Applicable tax rate	25.168%	25.168%
Computed tax	(37,350)	(7,155)
Adjustments - Less : Revaluation gain	458	446
Permanent disallowance	(84)	(131)
Less : Others	29	50
Current Tax Expense for the Year	(36,946)	(6,790)

19. Other non - current liabilities

Government grant

Total

20. a) Current financial liabilities - Borrowings

Secured

Loans repayable on demand

Borrowings for working capital from banks
Customer bills discounted

(a)

Current maturities of long-term debt :

Secured

- Term loan from banks
- Term loan from NBFCs

Unsecured

Unsecured Interest free Sales Tax loan

(b)

Total (a + b)

As at 31.03.2023
(₹ in Lakh)

As at 31.03.2022
(₹ in Lakh)

	-	12
	-	12
	1,954	20,057
	1,959	7,297
	<u>3,913</u>	<u>27,354</u>
	6,018	965
	6,593	4,700
	200	462
	<u>12,811</u>	<u>6,127</u>
	<u>16,724</u>	<u>33,481</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.
- ii. Interest on working capital loan from Banks are charged between 7.35% to 9.60% 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.

		As at 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
20. b) Lease Liability - Current Maturity			
Lease Liability - Current Maturity		319	293
Total		319	293

21. Current financial liabilities - Trade payables

(a) Total outstanding dues of Micro Enterprises and Small Enterprises	532	1,059
Total (a)	532	1,059
(b) Others		
(i) Acceptances	28,012	12,943
(ii) Other than acceptances	27,834	31,717
Total (b)	55,846	44,660
Total (a+b)	56,378	45,719

Trade Payables ageing schedule
As on 31-03-2023

(₹ 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	-	144	36	4	35	219
ii. Others	36,074	16,654	18	13	831	53,590
iii. Disputed dues - MSME	-	-	-	-	313	313
iv. Disputed dues - Others	-	-	-	-	2,256	2,256
Total	36,074	16,798	54	17	3,435	56,378

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 31-03-2022

(₹ 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	38,553	2,056	218	385	848	42,060
iii. Disputed dues - MSME	-	-	-	313	-	313
iv. Disputed dues - Others	-	-	-	-	2,600	2,600
Total	39,081	2,228	225	705	3,480	45,719

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 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	532	1,059
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.	-	-
	532	1,059

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 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
22. Other current financial liabilities		
Interest accrued but not due on long term borrowings	378	86
Unclaimed dividends #	33	33
Discounts	2,234	636
Managerial commission	710	684
Salary & Reimbursements	620	349
Capital Creditors	1,760	1,494
Others	3,184	2,318
Total	8,919	5,600

There are no amounts due and outstanding to be credited to the Investor Education and Protection fund.

23. Other Current Liabilities		
Advances received from Customers	3,039	2,395
Government grant	12	48
Statutory dues payable	1,426	632
Others	14	15
	4,491	3,090
24. Current Tax Liabilities (net)		
Income tax liabilities (net)	1,889	-
	1,889	-

	For the Year ended	
	31.03.2023 (₹ in Lakh)	31.03.2022 (₹ in Lakh)
25. Revenue From Operations		
Sale of manufactured goods	3,55,860	2,71,223
Less : Discounts	(7,119)	(1,965)
Total (a)	3,48,741	2,69,258
Other operating income		
Conversion charges received	-	4
Duty drawback & export incentives	101	63
Expenses Written Back	-	501
Total (b)	101	568
Total (a+b)	3,48,842	2,69,826

		For the year ended	
		31.03.2023	31.03.2022
		(₹ in Lakh)	(₹ in Lakh)
26. Other Income			
Interest Income		444	312
Insurance claims		181	4
Amortization of Government grant		48	113
Income from Mutual Fund		5	-
Other income		29	27
Total other income		707	456
27. a) Cost of raw material & components consumed			
Inventory at the beginning of the year		32,361	20,952
Add: Purchases during the year		2,25,244	2,02,761
Less: Inventory at the end of the Year		(32,250)	(32,361)
Total (a)		2,25,355	1,91,352
Details of raw material & components consumed			
Iron Ore & Iron Ore Fines		37,392	40,469
Coal & Coal Fines #		2,892	5,844
Coking Coal		47,499	33,973
Coke		54,148	29,930
Scrap & HBI		3,490	6,992
Ferro Alloys		37,579	34,322
Super Alloy Raw Material		403	-
Fluxes, Minerals & Additives		10,268	12,813
Electrodes		4,057	2,587
Others		27,627	24,422
		2,25,355	1,91,352
# Net of Consumption of Coal from Captive Mines			
27. b) Other Manufacturing Expenses			
Consumption of fuel		10,719	7,672
Consumption of power (Net of captive consumption)		21,932	16,692
Coal mine FPO, Royalty, Coal Raising, freight and other expenses		8,792	7,097
Contract expenses		13,163	11,422
Total (b)		54,606	42,883
Total Expenses (a+b)		2,79,961	2,34,235
Details of Inventory of Raw Material & Components			
Iron Ore & Iron Ore Fines		5,473	1,761
Coal & Coal Fines		1,082	5,791
Cokeing Coal		6,077	8,442
Coke		1,845	3,301
Scrap & HBI		271	793
Ferro Alloys		5,381	3,732
Super alloy Raw Material		140	-
Fluxes, Minerals & Additives		1,057	1,099
Electrodes		1,047	1,933
Goods in Transit		1,103	-
Others		8,774	5,509
Total		32,250	32,361
28. Changes in inventories of finished goods and work-in-progress			
a. Inventories at the end of the year			
Finished goods		25,286	31,005
Work-in-progress		29,020	20,326
Total (a)		54,306	51,331
b. Inventories at the beginning of the year			
Finished goods		31,005	11,781
Work-in-progress		20,326	12,332
Total (b)		51,331	24,113
Net (increase) / decrease		(2,975)	(27,218)

		For the year ended	
		31.03.2023 (₹ in Lakh)	31.03.2022 (₹ in Lakh)
29. Employee Benefit Expenses			
Salaries, wages and bonus		9,284	8,424
Contribution to provident and other funds		762	938
Staff welfare expenses		663	513
Remeasurements of the defined benefit plans (Gratuity)		73	(89)
Total		10,782	9,786
30. Finance Cost			
Interest on term loans		2,994	1,703
Interest Capitalised		(689)	(1,075)
Interest on term loans net		2,305	628
Interest on working capital loans		2,516	1,932
Interest on bills discounted		435	128
Unwinding of Interest		13	12
Other borrowing costs		2,225	870
Interest on incremental liabilities of deferred sales tax loan (IND AS 109)		24	62
Interest on lease liability (IND AS 116) {Refer note No.36}		592	593
Total		8,110	4,225
31. Depreciation and amortization expense			
Depreciation and amortization of property plant & equipment		7,581	7,169
Amortization of right of use assets (Refer note No.37)		483	462
Total		8,064	7,631
32.			
32.1 Other Expenses			
Freight & forwarding net		10,356	9,093
Travelling expenses		440	216
Insurance charges		557	430
Rent, rates and taxes		343	227
Repairs & maintenance		146	168
Printing & stationary		37	22
Directors' sitting fee		8	9
Postage & telephones		76	74
Corporate social responsibility (Refer note No.45)		365	293
Admin Expenses		886	682
Legal & professional expenses (Refer note No.32.2 below)		1,413	983
Exchange fluctuation loss (Net)		985	577
Commission		328	177
Bad Debts written-off		62	-
Provision for doubtful debts		145	(152)
Others		345	390
Total		16,492	13,189
32.2 Payments to Auditors			
Statutory Audit fees		19	17
Limited Review Fees		5	5
Total		24	22
33. Earnings Per Share			
Basic Earnings per Share			
Continuing Operations			
Profit / (Loss) after Tax	₹ in lakh	1,11,531	21,702
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	61.89	12.04

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 31.03.2023	As at 31.03.2022
i) Contingent liabilities		
(a) Unexpired letter of credit	15,078	19,947
(b) Guarantees issued by Company's bankers on behalf of the Company	9,683	5,810
(c) Excise duty & custom duty against which company has preferred an appeal	1,111	1,030
(d) Income Tax Liability	-	132
(e) Other Legal cases filed against the company	21	32
ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,948	26,138

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 2023		Year ended 31 st March 2022	
	Domestic	Foreign	Domestic	Foreign
Revenues from sale of products to external customers	3,42,074	6,768	2,65,281	4,545
There is no single customer who has contributed 10% or more to the company's revenue for both the years ended 31 st March, 2023 and 31 st March, 2022.				
Non - Current Assets :				
Property, Plant and Equipment	1,53,839	-	1,19,880	-
Right of Use Assets	5,305	-	5,304	-
Capital work in progress	19,290	-	37,313	-
Other non current assets	1,77,065	-	11,697	-

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 31.03.2023 (₹ in Lakh)	As at 31.03.2022 (₹ in Lakh)
Opening Balance	5,874	5,975
Acquisition	484	165
Deletions	-	-
Accretion of interest	592	593
Payments	892	859
Closing balance	6,058	5,874
Non-current	5,739	5,581
Current	319	293

The effective interest rate of lease liabilities is 9.85%, with maturity between 2021-2083

	For the Year ended 31.03.2023	For the Year ended 31.03.2022
The following are the amounts recognised in profit & loss :		
Amortisation expense of right of use assets	482	462
Interest expense on lease liabilities	592	593
Expense relating to leases of short-term / low value assets (included in other expenses)	-	-
Total amount recognised in statement of profit & loss	1,074	1,055
Amounts recognised in statement of cash flows :		
Financing activities :		
Repayment of principal	300	266
Repayment of interest	592	593
Operating activities :		
Short term / low value assets lease payment	-	-
Total cash outflow for leases	892	859

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 31.03.2023	As at 31.03.2022
Long term borrowing	38,162	19,321
Short term borrowing	3,913	27,354
Current maturities of long-term debt	12,811	6,127
Less : Cash and bank balance	(11,833)	(6,763)
Net debt	43,053	46,039
Equity	3,34,377	1,75,049
Capital and net debt	3,77,430	2,21,088
Gearing ratio	11.41%	20.82%

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, 2023 and 31st March, 2022.

38. The Company has received an Arbitration award vide order dated 22nd April, 2022 read with additional / supplementary award dated 28th April, 2022 pertaining to Company's past period claims on Lloyds Metal and Energy Ltd (LMEL), which has been settled through Arbitral tribunal vide award dated 22nd April, 2022 read with additional / supplementary award dated 28th April, 2022. Consequently, LMEL issued Optionally Fully Convertible Debentures (OFCD) with an option to convert into equity shares. The company exercised its option and converted the OFCD into 600 Lakhs equity shares.(refer note No.4)

39. Employees benefit plans

1) Employees Provident Fund, the Company has made good the shortfall of interest on fund ₹ Nil. (Previous Year Deficit ₹ 109 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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Statement showing changes in Present Value of obligation :						
Present value of obligations at the beginning of the year	2,412	2,608	8,342	8,134	2,367	2,400
Interest cost	270	171	683	661	166	166
Current Service Cost	156	153	1,047	992	214	207
Benefits Paid	(316)	(431)	(927)	(1,445)	(295)	(406)
Actuarial Gain / (Loss) on obligations	73	(89)	-	-	-	-
Present value of obligations as at the end of the year	2,595	2,412	9,145	8,342	2,452	2,367
Table showing changes in the fair value of Plan Assets :						
Fair value of plan assets at the beginning of year	2,501	2,608	8,342	8,134	2,367	2,400
Expected return on plan assets	181	171	709	552	166	166
Contributions	156	153	1,047	992	214	207
Benefits paid	(316)	(431)	(927)	(1,445)	(295)	(406)
Actuarial Gain / (Loss) on plan assets	-	-	-	-	-	-
Fair value of plan assets at the end of the year	2,522	2,501	9,171	8,233	2,452	2,367
Funded Status	73	(89)	26	(109)	-	-
Excess of Actual over estimated return on plan assets	-	-	-	-	-	-
Actuarial Gain / (Loss) recognised :						
Actuarial Gain / (Loss) for the year – Obligation	73	(89)	-	-	-	-
Actuarial Gain / (Loss) for the year – plan assets	73	(89)	26	(109)	-	-
Total Loss for the year	-	-	-	-	-	-
Actuarial Gain / (Loss) Recognised in the year	73	(89)	26	(109)	-	-
Amounts to be recognised in the Balance Sheet :						
Present value of obligations as at the end of the year	2,595	2,412	9,145	8,342	2,452	2,367
Fair value of Plan assets as at the end of the year	2,522	2,501	9,171	8,233	2,452	2,367
Funded Status	73	(89)	26	109	-	-
Net Asset / (Liability) Recognised in the Balance Sheet	73	(89)	26	(109)	-	-
Expenses Recognised in the statement of Profit and Loss :						
Current Service Cost	156	153	-	-	-	-
Interest Cost	-	-	683	661	166	166
Expected return on plan assets	-	-	709	552	166	166
Net Actuarial (Gain)/Loss recognised in the statement of profit & Loss	73	(89)	-	-	-	-
Expenses Recognised in statement of Profit & Loss	156	153	26	(109)	-	-
Actuarial Assumptions :						
Discount rate	7.45%	7.80%	8.15%	8.50%	-	-
Salary escalation	5.00%	5.00%	5.00%	5.00%	-	-
Investment Details :						
GOI Securities	-	-	10%	21%	-	-
State Government securities	-	-	40%	38%	-	-
Approved marketable Securities	-	-	0%	0%	-	-
Bonds / debentures etc	-	-	42%	36%	-	-
Loans	-	-	-	-	-	-
Equity	-	-	7%	-	-	-
Liquid fund / Money Market Instrument	-	-	-	6%	-	-
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	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022
Mr. Ravi Bhushan Bhardwaj	Non Executive Chairman	Commission	145	84	32	37
Mr. Pranav Bhardwaj	Managing Director	Remuneration & Commission	748	558	26	2
Mr. Surendra Kumar Gupta	Deputy Managing Director	Remuneration	146	141	-	-
Mr. R. Muralidhar	Director (Finance)	Remuneration	118	112	-	-
Mr. Ramchandra V Dalvi	Director (Technical)	Remuneration	106	104	-	-
Mr. S. Mahadevan	Chief Financial Officer	Remuneration	65	60	-	-
Mr. Ashutosh Mishra	Company Secretary	Remuneration	43	40	-	-
Dr. E.R.C. Shekhar	Non Executive, Independent Director	Commission & Sitting Fees	4	5	-	-
Mr. Kumar Jitendra Singh	Non Executive, Independent Director	Commission & Sitting Fees	4	5	-	-
Mrs. Neelam Kothari	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. Anand Kapre	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mrs. Vinita Bahri	Non Executive, Independent Director	Commission & Sitting Fees	4	3	-	-
Mr. Sajiv Dhawan	Non Executive, Independent Director	Commission & Sitting Fees	4	4	-	-
Mr. M. A. V. Goutham	Non Executive, Independent Director	Sitting Fees	0.45	-	-	-
Mr. Tirthnath Jha	Non Executive, Independent Director	Sitting Fees	0.45	-	-	-

Note :- Directors remuneration includes post employment benefits, PF and other contributions.

ii) Subsidiaries

Particulars	Shareholding as on 31.03.2023	Account	Transactions year ended		Outstanding As at	
			31.03.2023	31.03.2022	31.03.2023	31.03.2022
Sunflag Foundation	100%	Share Capital	-	-	1	1
Sunflag Foundation		CSR Expenses	365	293	-	-

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 Private Limited	17.56%	Share Capital	-	-	360	360
Ramesh Sunwire Private Limited	49.00%	Share Capital	-	-	980	980
Ramesh Sunwire Private Limited		Sale of Goods	3,505	2,530	581	326
Ramesh Sunwire Private Limited		Purchase of goods	(20)	(24)	-	-
Ramesh Sunwire Private Limited		Others	(5)	-	-	-
C T Mining Private Limited	31.80%	Share Capital	-	-	318	318
Madanpur (North) Coal Block 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	57	66	-	-
Haryana Televisions Limited.	Relationship through KMP	Security deposit	-	-	28	28
Shrihari Coal & Power Pvt. Ltd.	Relationship through KMP	Service	4,521	-	-	-

Note : 1. Rent figures given are inclusive of taxes. 2. All above transactions with the related parties are at arm length price.

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 31.03.2023					
		Assets	Liabilities	Income	Expenditure	Contingent Liabilities	Capital Commitments
Daido DMS India Private Limited India	17.56 (17.56)	603 (372)	603 (372)	557 (309)	540 (309)	2 -	- -
Madanpur (North) Coal Block 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)	1,735 (1,958)	1,735 (1,958)	1,845 (1,554)	1,773 (1,492)	- -	- -
C T Mining Private Limited / India	31.80 (31.80)	326 (323)	326 (323)	6 (7)	3 (3)	- -	- -

Note : Figures in brackets relate to the previous year.

Financials of Madanpur (North) Coal Block 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 31.03.2023		As at 31.03.2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets designated at fair value through profit and loss					
Non current financial asset - Investments	Level 1	1,22,610	1,70,820	-	-
Non current financial asset - Investments	Level 3	1,748	1,748	1,659	1,659
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	31,527	31,527	27,630	27,630
Current financial asset - Cash and cash equivalents	Level 2	1,149	1,149	1,594	1,594
Financial Asset - Bank balances other than above	Level 2	10,684	10,684	5,169	5,169
Total		45,108	45,108	36,052	36,052

Financial Liabilities :

Financial liability designated at amortised cost					
Non current financial liabilities : borrowings	Level-2	36,335	36,335	17,305	17,305
Non current financial liabilities : Other	Level-3	2,196	2,196	2,895	2,895
Current financial liabilities - Borrowings	Level-2	16,524	16,524	33,019	33,019
Current financial liabilities - Other	Level-3	9,119	9,119	6,062	6,062

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, 2023 and 31st March, 2022.

- 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
0.50%	0.50%	82.62	165.10
- 0.50%	- 0.50%	(82.62)	(165.10)

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 31.03.2023		As at 31.03.2022	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
EUR	1	(1)	1	(1)
CNY	4	(4)	75	(75)
GBP	-	-	-	-
SEK	-	-	-	-
USD	196	(196)	134	(134)

Foreign currency exposure as at	As at 31.03.2023	As at 31.03.2022
Trade Payable		
- Exposure in Dollars (In INR)	19,638	13,859
- Exposure in Euros (in INR)	101	58
- Exposure in GBP (in INR)	-	14
- Exposure in SEK (in INR)	-	2
- Exposure in CNY (in INR)	563	7,620

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Trade receivables	32,990	28,948	31,527	27,544	1,463	1,404
Less : ECL Provision	(1,463)	(1,318)	-	-	(1,463)	(1,318)

Movement of Expected Credit loss					(₹ in Lakh)
	Opening Balance	Addition	Reversal	Closing Balance	
Expected Credit loss - 2023	1,318	145	-	1,463	
2022	1,469	-	(151)	1,318	

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	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Non current financial liabilities								
i) Borrowings*	50,973	25,448	12,818	6,127	6,042	1,165	32,120	18,156
ii) Others	6,108	6,460	-	-	864	1,216	5,244	5,244
Current financial liabilities								
i) Borrowings*	3,913	27,354	3,913	27,354	-	-	-	-
ii Trade Payables	56,378	45,719	56,378	45,719	-	-	-	-
ii) Others	8,919	5,600	8,919	5,600	-	-	-	-

* 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	31.03.2023	31.03.2022
Gross amount required to be spent during the year	365	293
Amount spent during the year		
- Construction / acquisition of any assets	-	-
- On purpose other than above	365	293

ii) Provision made for Corporate Social Responsibility

Particulars	31.03.2023	31.03.2022
Opening balance of Provision	-	-
Addition during the Year	365	293
Funds transferred to Sunflag Foundation for CSR activities	365	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 31.03.2023	For the year ended 31.03.2022
a) Expenditure done through Sunflag Foundation			
Rural Development	Clause No. X	9	24
Health Care	Clause No. I	11	137
Education training & skill development	Clause No. I & X	43	8
Environment sustainability & protection of Flora and Fauna	Clause No. IV	57	17
District Sport & cultural activities	Clause No. VII	61	56
		181	242
b) Expenditure done directly by the Company			
Rural Development	Clause No. X	-	-
Total Expenditure by the Company		181	242

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 accounts.

iv) Corporate Social Responsibility (CSR)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
i) Amount required to be spent by the company during the year (a)	365	293
ii) Amount of expenditure incurred for the current year (b)	181	197
iii) Projected spent of earlier years, spent during the year	504	45
iv) Shortfall for the current year (a-b)	184	96
v) Funds Kept in Special Allocated Bank Accounts	209	504
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.	365	293
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 FoundationFor the Year ended 31st March, 2023

(₹ in Lakh)

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 spent during the year	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	-	-	-	-	-
2021-22	96	96	-	-	-
2022-23	184	184	504	209	-
Total	661	661	504	209	-

*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 31.03.2023	As at 31.03.2022
Brought forward from last year	37,313	17,310
Expenditure incurred during the year :		
Building and civil constructions	1,132	1,343
Machinery and equipments	13,984	22,990
Interest and financial charges	689	1,075
Miscellaneous expenses	-	-
Total expenditure during the year	15,805	25,408
Less : Miscellaneous Income	-	-
Less : Capitalised during the year	33,828	5,405
Carried forward as part of Capital-work-in-progress	19,290	37,313

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.

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

SUBODH KUMAR MODI
Partner
M. No. 093684

New Delhi
29th May, 2023

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

PRANAV BHARDWAJ
MANAGING DIRECTOR

CA R. MURALIDHAR
DIRECTOR (FINANCE)

Nagpur
29th May, 2023

RAMCHANDRA DALVI
DIRECTOR (TECHNICAL)

S. MAHADEVAN
CHIEF FINANCIAL OFFICER

ASHUTOSH MISHRA
COMPANY SECRETARY

CA VINITA BAHRI
DIRECTOR

CA M. A. V. GOUTHAM
DIRECTOR

TIRTHNATH JHA
DIRECTOR

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