



INDEPENDENT AUDITORS' REPORT

To the Shareholders (Members) of
Sunflag Foundation [CIN - U74999MH2017NPL289961]

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Sunflag Foundation [CIN - U74999MH2017NPL289961], (**'the Company'**) which comprise of the Standalone Balance Sheet as at 31 March 2023 and the Standalone Statement of Receipt & Expenditure for the Financial Year 2022-2023 ended 31 March 2023, 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'**).

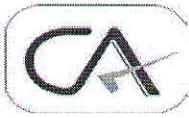
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (**'the Act'**) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed U/s. 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, (**'AS'**) and other Accounting Principles generally accepted in India; of the State of Affairs of the Company as at 31 March 2023 and Receipt & Expenditure for the Financial Year 2022-2023 ended 31 March 2023.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) 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 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 there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.





Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, 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.

Other Information - Board of Directors' Report

The Company's Board of Directors is responsible for the preparation and presentation of its Report (hereinafter called as '**Board's Report**') which comprises various information required under Section 134(3) of the Companies Act 2013 but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the Board's Report 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 Board's Report 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.

Based on the work we have performed, we conclude that, we are nothing to report in this regard.

Management's Responsibility 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, and cash flows of the Company in accordance with AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the Standalone Financial Statements, the 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.

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

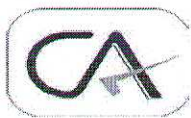
Auditors' Responsibility for the Audit of Standalone Financial Statements

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

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

- (i) 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.
- (ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (iv) Conclude on the appropriateness of the 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.

- (v) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transaction and events in a manner that achieves fair presentation.
- (vi) Materiality is a magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of reasonable knowledgeable users of the Standalone Financial Statements may influence, we consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effects of any identified misstatements in the Standalone Financial Statements.
- (vii) 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 the internal control that we identify during our audit.
- (viii) We also provide those charged with governance with a statement that we have complied with relevant ethical requirement regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:-
 - (i) 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.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) The Balance Sheet and Statement of Receipt & Expenditure dealt with by this Report are in agreement with the relevant books of accounts.





- (iv) In our opinion, the aforesaid Standalone Financial Statements comply with the AS specified under Section 133 of the Act read the Rule 7 of the Companies (Accounts) Rules, 2014.
- (v) On the basis of the written representations received from the Director/s as on 31 March 2023 taken on record by the Board of the Directors, None of the Director/s is disqualified as on 31 March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
- (vi) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annex A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control with reference to the Standalone Financial Statements.
- (vii) 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:-
- (a) The Company does not have any pending litigations which would impact its financial position in its Standalone Financial Statements;
- (b) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses; and
- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (d) (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), 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;





- (ii) The management has represented, that, to the best of it's 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 entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- (e) The Company has neither declared nor paid any dividend during the year and also, there is no contravention of the provisions of Section 123 of the Companies Act, 2013.
- (viii) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the Company has neither paid or provided any managerial remuneration and also, the limit prescribed by Section 197 for maximum managerial remuneration is not applicable to a Section 8 Company.
2. The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the Company in terms of Clause 1(2)(iii) of the Order.

Place: Nagpur
Dated: 22 May 2023



CA Vijay Tiwari
Chartered Accountants
Membership No. 017447
UDIN – 23017447BGQRBR6687



ANNEX – A TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (**‘the Act’**) on its Standalone Financial Statements Dated 22 May 2023 for the Financial Year 2022-2023 ended 31 March 2023 as referred to in paragraph 1(f) of the ‘Report on Other Legal and Regulatory Requirements’ section

We have audited the Internal Financial Controls over financial reporting of Sunflag Foundation [CIN - U74999MH2017NPL289961], (**‘the Company’**) as of 31 March 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the Financial Year 2022-2023 ended 31 March 2023.

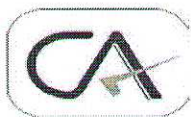
Management’s Responsibility for Internal Financial Controls

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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (**‘Guidance Note’**) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





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

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

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over Financial Reporting

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





VIJAY TIWARI
CHARTERED ACCOUNTANTS

Keshao Bhawan, Gorepeth,
Nagpur – 440010, MH, IN
Contact : +91 98222 20141
e-mail id : vijaytiwari237@yahoo.in

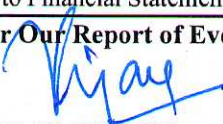


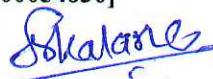
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31-March 2023, 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.

Place: Nagpur
Dated: 22 May 2023



CA Vijay Tiwari
Chartered Accountants
Membership No. 017447
UDIN – 23017447BGQRBR6687


SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]			
BALANCE SHEET AS AT 31 MARCH 2023			
Particulars	Note	31-March -2023	31-March -2022
		Amount in Rupees	
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment		-	-
(b) Capital Work-in-progress		-	-
(c) Financial Assets			
(i) Investments		-	-
(ii) Bank Balances		-	-
(iii) Loans		-	-
(d) Other Non Current Assets		-	-
CURRENT ASSETS			
(a) Inventories		-	-
(b) Financial Assets			
(i) Trade Receivables		-	-
(ii) Cash and Cash Equivalents		-	-
(iii) Bank Balances	3	2,09,03,553	5,16,27,861
(iv) Other Financial Assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets		-	-
TOTAL ASSETS		2,09,03,553	5,16,27,861
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUND			
(a) Share Capital	4	1,00,000	1,00,000
(b) Other Equity		-	-
(c) Money received against Share Warrants		-	-
Share Application Money Pending Allotment		-	-
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Other Financial Liabilities		-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Provisions		-	-
(d) Other Non-Current Liabilities		-	-
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other Financial Liabilities	5	2,08,03,553	5,15,27,861
(b) Other Current Liabilities		-	-
(c) Provisions		-	-
TOTAL EQUITY & LIABILITIES		2,09,03,553	5,16,27,861
Notes to Financial Statement & Significant Accounting Policies	1 & 2		
As per Our Report of Even Date		For and On Behalf of the Board of Directors	
 CA VIJAY TIWARI CHARTERED ACCOUNTANTS MEMBERSHIP NO. 017447 UDIN - 23017447BGQRBR6687 PLACE: NAGPUR DATE: 22 MAY 2023		  DIRECTOR [DIN -00054836]  DIRECTOR DIN - 00012065	
		DIRECTOR DIN - 07685473	

SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]
STATEMENT OF RECEIPTS & EXPENDITURE FOR THE FINANCIAL YEAR 2022-2023

Particulars	Note	01-04-2022 TO 31-03-2023	01-04-2021 TO 31-03-2022
		Amount in Rupees	
RECEIPTS			
Transfer for CSR Spending as an Implementing Agency			
(a) From Sunflag Iron and Steel Company Limited		3,65,18,063	2,93,31,973
(b) From Others		-	-
Bank Reconciliation [Cheques not presented for Clearing]		5,31,318	-
TOTAL RECEIPTS		3,70,49,381	2,93,31,973
EXPENDITURE			
CSR Expenditure for Sunflag Iron & Steel Company Limited			
(a) Rural Development		5,29,31,278	-
(b) Education, Training and Skill Development facilitating Upgradation of Knowledge and Skills		43,39,377	8,47,034
(c) Promotion of Sports, Arts and Cultural Activities		67,51,750	55,57,162
(d) Environment Sustainability, Protection of Flora-Fauna		19,19,271	16,59,539
(e) Promotion of Health Care, Drinking Water & Sanitation		18,26,184	1,60,80,025
Total CSR Expenditure		6,77,67,860	2,41,43,760
CSR Expenditure for Others		-	-
Other Expenses - Bank Charges		5,829	355
Provision for Other Expenses - Audit Fees		20,000	20,000
TOTAL EXPENDITURE		6,77,93,689	2,41,64,115
Opening Balance		5,16,27,861	4,64,40,003
Surplus or (Deficit)		(3,07,24,308)	51,87,858
Balance carried to Balance Sheet (Bank Balances)		2,09,03,553	5,16,27,861
Notes to Financial Statements & Significant Accounting Policies	1 & 2		

As per Our Report of Even Date

For and On Behalf of the Board of Directors


CA VIJAY TIWARI
CHARTERED ACCOUNTANTS
MEMBERSHIP NO. 017447
UDIN - 23017447BGQRBR6687




DIRECTOR [DIN - 00054836]


DIRECTOR
DIN - 00012065


DIRECTOR
DIN - 07685473

PLACE: NAGPUR
DATE: 22 MAY 2023

SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]
REGISTERED OFFICE - 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
NOTES TO THE FINANCIAL STATEMENTS - FINANCIAL YEAR 2022-2023 ENDED 31 MARCH 2023

Note No. 3 - Bank Balances	31-03-2023	31-03-2022
	Amount in Rupees	
Balances in Current Account with Canara Bank	2,09,03,553	5,16,27,861
Balances with Others	-	-
TOTAL	2,09,03,553	5,16,27,861
Note No. 4 - Share Capital	31-03-2023	31-03-2022
Authorised (Nominal) Share Capital		
Equity Shares of Rs. 10/- (Rupees Ten) Each (Number)	10,000	10,000
Equity Shares of Rs. 10/- (Rupees Ten) Each (Value)	1,00,000	1,00,000
TOTAL	1,00,000	1,00,000
Issued, Subscribed and Paid-up Share Capital		
Equity Shares of Rs. 10/- (Rupees Ten) Each (Number)	10,000	10,000
Equity Shares of Rs. 10/- (Rupees Ten) Each (Value)	1,00,000	1,00,000
TOTAL	1,00,000	1,00,000
Movement of Equity Share Capital (Number)		
Opening Balance	10,000	10,000
Equity Shares issued during the Year	-	-
Equity Shares brought back during the Year	-	-
Closing Balance	10,000	10,000
Details of Shareholder holding more than 5% Shareholding		
Sunflag Iron & Steel Company Limited and its Nominees		
Number of Equity Shares Held	10,000	10,000
Value of Equity Shares Held	1,00,000	1,00,000
Percentage of Equity Shares Held	100.00%	100.00%



SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]
REGISTERED OFFICE - 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
NOTES TO THE FINANCIAL STATEMENTS - FINANCIAL YEAR 2022-2023 ENDED 31 MARCH 2023

Terms / Voting Rights attached to the Equity Shares		
The Paid-up Share Capital of the Company consists of Equity Shares of Rs. 10/- (Rupees Ten) Each.		
Each & Every Equity Shareholder is entitled for One Vote Per Equity Share.		
The Company has neither issued any Right / Bonus Shares OR Shares for Consideration Otherwise than Cash nor bought back any Shares during the period under review.		
If upon a winding-up, liquidation or dissolution of the Company, there remains, after satisfaction of all the debts and liabilities, any property whatsoever, the same shall not be distributed amongst the Members of the Company, But, shall be given or transferred to such other Company, having objects similar to the objects of this Company, subject to such conditions, as the Tribunal may impose, or may be sold and proceeds thereof, credited to the 'Rehabilitation and Insolvency Fund' formed Under Section 269 of the Companies Act, 2013		
Note No. 5 - Other Financial Liabilities	31-03-2023	31-03-2022
	Amount in Rupees	
CSR Expenditure for Sunflag Iron & Steel Company Limited	2,08,03,553	5,15,27,861
CSR Expenditure for Others	-	-
TOTAL	2,08,03,553	5,15,27,861

S. Kalavara

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SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]
REGISTERED OFFICE - 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
NOTES TO THE FINANCIAL STATEMENTS - FINANCIAL YEAR 2022-2023 ENDED 31 MARCH 2023

Details of CSR Expenditure for the Financial Year 2022-2023 ended 31 March 2023	
Rural Development	5,29,31,278
Rural Development through Various Facilities or Conveniences, including Construction of Auditorium, Constrction of Rural Roads in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Education, Training and Skill Development, facilitating Upgradation of Knowledge and Skills	43,39,377
(1) Providing Basic Needs namely, Beds & Mattresses, Iron Cots, Blankets, Digital Class Rooms, (2) Providing and Fixing Aluminium Slidings Windows, (3) Repairing Works for providing basic amenities in various Schools in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Promotion of Sports, Arts and Cultural Activities	67,51,750
Promotion of Local Sports, Arts and Cultural Activities in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Environment Sustainability, Protection of Flora & Fauna	19,19,271
Environmental Sustainability, Protection of Flora & Fauna by Plantation of Trees in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Promotion of Health Care, Drinking Water and Sanitation	18,26,184
Health Check-up Facilities through Camp or Otehrwise in various Schools and Localities with Distrbution of Free Medicines, etc. in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Facilities and Arrangements for Safe Drinking Water and Sanitation through (1) Borewells, (2) RO Water Treatment Plants, (3) Water Purifiers and (4) Hand-Pumps, in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Relief Facilities and Arrangements during COVID-19 Pandemic	
Total CSR Expenditure	6,77,67,860

S. Kalane

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SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]
REGISTERED OFFICE - 33, MOUNT ROAD, SADAR, NAGPUR - 440001, MH, IN
NOTES TO THE FINANCIAL STATEMENTS - FINANCIAL YEAR 2022-2023 ENDED 31 MARCH 2023

Details of CSR Expenditure for the Financial Year 2021-2022 ended 31 March 2022	
Rural Development	-
Rural Development through Various Facilities or Conveniences, including Construction of Rural Roads in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Education, Training and Skill Development, facilitating Upgradation of Knowledge and Skills	8,47,034
(1) Providing Basic Needs namely, Beds & Mattresses, Iron Cots, Blankets, Digital Class Rooms, (2) Providing and Fixing Aluminium Slidings Windows, (3) Repairing Works for providing basic amenities in various Schools in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Promotion of Sports, Arts and Cultural Activities	55,57,162
Promotion of Local Sports, Arts and Cultural Activities in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Environment Sustainability, Protection of Flora & Fauna	16,59,539
Environmental Sustainability, Protection of Flora & Fauna by Plantation of Trees in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Promotion of Health Care, Drinking Water and Sanitation	1,60,80,025
Health Check-up Facilities through Camp or Otehrwise in various Schools and Localities with Distribution of Free Medicines, etc. in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Facilities and Arrangements for Safe Drinking Water and Sanitation through (1) Borewells, (2) RO Water Treatment Plants, (3) Water Purifiers and (4) Hand-Pumps, in and around Company's Steel Plant at Bhandara and Coal Block at Belgaon, both in the State of Maharashtra	
Relief Facilities and Arrangements during COVID-19 Pandemic	
Total CSR Expenditure	2,41,43,760

S. Kalane

[Signature]

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SUNFLAG FOUNDATION [CIN - U74999MH2017NPL289961]

**Notes forming part of the Financial Statements
for the Financial Year 2022–2023 ended 31 March 2023**

1. Corporate Information or Overview:-

Sunflag Foundation ('the Company') is a Section 8 Company (a Company not for Profits) registered pursuant to the provisions of the Companies Act, 2013 ('the Act') vide Corporate Identification Number (CIN) – U 74999 MH 2017 NPL 289961 Dated 27 January 2017, with the Object/s of Education, Skill Development, Environment, Health, Rural Development, based on the concept of approval of this Section 8 Company as an Implementing Agency for the CSR activities of Other Companies including Parent Holding Company namely Sunflag Iron and Steel Company Limited, [CIN – L 27100 MH 1984 PLC 034003].

The Company has also obtained the Provisional Registration, Under Section 12A(1)(ac)(vi) and Section 80G(5) – First Proviso of Sub-Clause (vi), under the Income Tax Act, 1961 read with the Rules made thereunder, valid till Assessment Year 2024–2025

The Company is a Wholly-owned Subsidiary Company of Sunflag Iron and Steel Company Limited, [CIN – L 27100 MH 1984 PLC 034003], and the Board of Directors of the Company comprising of and managed by its Nominee/s.

The Main Object of the Company is:-

To promote activities for education, training and skill development through fully equipped schools, colleges, educational institutes, training centres, skill development centres, to organise training courses and special programmes to impart education in all disciplines, to promote health, environment, infrastructure and rural development activities, to promote activities and sponsor development of life in every aspects in rural and urban areas and such other activities referred to in Section 135 of, Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.

However, no Objects of the Company shall be carried out without the permission of the competent authorities whomsoever and no Objects of the Company shall be carried out on commercial basis.

The Company was appointed as an Implementing Agency to carry out the CSR Activities of its Parent Holding Company namely Sunflag Iron and Steel Company Limited, [CIN – L 27100 MH 1984 PLC 034003], pursuant to the provisions of Section 135 of, Schedule VII to, the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time.

2. Significant Accounting Policies:-

2.1 Significant Accounting Policies

The significant accounting policies have been predominantly presented below in the order of the Accounting Standards specified Under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 [as amended].

2.2 Basis of preparation of financial statements

The Financial Statements have been prepared under the Historical Cost Conventions in accordance with the generally accepted Accounting Principles on Accrual basis in India [GAAP] and in compliance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 [as amended], and specified under Section 133 of the Companies Act, 2013. The Accounting Policies adopted in the preparation of Financial Statements are consistent with those of Previous Financial Year except for the change in Accounting Policy, if any, explained hereinbelow.

S. Kalanur

[Signature]

[Signature]



2.3 Use of estimates

The preparation of the Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) and the reported Income and Expenditure during the Financial Year under review. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known or materialized.

2.4 Loan/s or Borrowing/s

The Company do not have or borrowed any Secured or Unsecured – Short-term or Long-term Loan/s during the financial year 2022–2023 ended 31 March 2023 and accordingly, there is no Outstanding Loan/s as at 31 March 2023.

2.5 Fixed Assets

The Company do not have or own any Fixed Assets as at 31 March 2023.

2.6 Inventories

The Company do not have any Inventories as at 31 March 2023.

2.7 Investments

The Company do not have any Investments as at 31 March 2023.

2.8 Cash and cash equivalents

Cash and cash equivalents comprises Cash at Bank and In Hand.

2.9 Current and Non-Current Classification

An asset or a liability is classified as Current when it satisfies any of the following criteria:-

- (i) It is expected to be realized or settled, or is intended for sales or consumptions, in the Company's Normal Operating Cycle;
- (ii) It is held primarily for the purpose of being traded;
- (iii) It is expected to be realized / due to be settled within twelve months after the end of reporting date;
- (iv) The Company does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

Based on above, all liabilities – financial or otherwise are classified accordingly.

For the purpose of Current or Non-Current classification of assets and liabilities, the Company has ascertained its operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of the assets or liabilities for processing and their realization in Cash and Cash Equivalents.

2.10 Revenue recognition

General grants or donations are recognized in the financial year in which the same are received. Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable. The Company do not have any income or receipt from operation or other income sources during the financial year under review.

S. Kalane



2.11 Provision for Tax

The Company, being a Section 8 Company (Company Not for Profits), the provision for tax is not provided for the financial year 2022–2023 ended 31 March 2023 under review.

2.12 Earning Per Share (EPS)

The Company, being a Section 8 Company (Company Not for Profits), there is no quantification of Profits and accordingly, there is no calculation for Earnings per Share (EPS) for the financial year 2022–2023 ended 31 March 2023 under review.

2.13 Related Party Disclosure

(a) Name of Related Parties and Nature of Relationship

Name of Related Party	Nature of Relationship
Sunflag Iron and Steel Company Limited	Parent or Ultimate Holding Company [Shareholding 100%]
Mr. Surendra Kumar Gupta	Nominee Director/s of the Company [Nominated by Sunflag Iron and Steel Company Limited]
Mr. Ramchandra Vasant Dalvi	
Mr. Deepak Shamrao Kalne	

(b) Related Party Transaction/s during the period under review

Name of Related Party	Nature of Transaction/s
Sunflag Iron and Steel Company Limited [CIN – L27100MH1984PLC034003]	Transfer (Grant) of a total sum of Rs. 3,65,18,063/- [Previous Financial Year Rs. 2,93,31,973/-] towards Spending for CSR Activities

2.14 Earnings and Expenditure in Foreign Exchange

Particulars	Financial Year 2022–2023	Financial Year 2021–2022
Earnings in Foreign Currency	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL

2.15 The Company does not have any un-hedged foreign currency exposure as at 31 March 2023.

2.16 Micro and Small Enterprises:

The Company has not entered into any agreement for purchase transaction with suppliers registered under The Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) during the Financial Year 2022–2023 ended and as at 31 March 2023. The note has been identified on the basis of information available with the company.

2.17 There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, contingent liabilities & contingent assets.

S. K. Jaiswal

[Signature]

[Signature]



2.18 Other Statutory information

- The Company does not have any Property, Plant and Equipment [Including Right of Use Assets], Intangible Assets under Development and any Capital Work in Progress for the Financial Year under Audit.
- The Company does not have any Benami Property as defined under the Benami Transactions (Prohibition) Act, 1988 [45 of 1988] and the Rules made there under. No proceeding has been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 [45 of 1988] and the Rules made there under.
- The Company has not granted any Loans and Advances in the nature of Loans to its Promoters, Directors, KMP's and other Related Parties.
- The Company has not been sanctioned and/or availed any Working Capital Limits, Short or Long Term Loan/s from any Lender/s including Bank/s and Financial Institution/s.
- The Company has not been declared as Wilful Defaulter by any Lender, Bank, Financial Institution, Government or alike Authorities.
- The Company does not have any transaction/s with Struck-off Company(ies).
- The Company does not have any Creation – Registration or Satisfaction of Charge/s which are yet to be registered with the Office of the Registrar of Companies beyond the statutory time period.
- The Company is in due compliance with a Number of Layers of Companies in accordance with Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on Number of Layers) Rules, 2017.
- The Company has not entered into any Scheme of Arrangement approved by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013.
- The Company has not traded or invested in Crypto or Virtual Currency during the Financial Year.
- The Company does not have any such transaction/s which is not recorded in the Books of Accounts that has been surrendered or disclosed as Income during the Financial Year in the Tax Assessments under the Income Tax Act, 1961.
- The financial figures pertaining to the Previous Financial Year have been re-grouped or re-classified, wherever necessary or required.

As per our Report of Even Date


CA Vijay Tiwari
Chartered Accountants
Membership No. 017447
UDIN – 23017447BGQRBR6687

Place: Nagpur
Date: 22 May 2023



FOR SUNFLAG FOUNDATION


SURENDRA KUMAR GUPTA
DIRECTOR [DIN – 00054836]


R V DALVI
DIRECTOR
DIN – 00012065


D S KALNE
DIRECTOR
DIN – 07685473